e-CLAS™ Banner Page

Environment: PRODUCTION

Policy Number: EMO 072 52 83

Effective Date: 08-15-2024

Named Insured: DELKUS TOWERS CONDOMINIUM ASSOCIATION, INC.,

09-242

RISK STRATEGIES COMPANY
3250 N 29TH AVE
HOLLYWOOD FL 33020-1313

Thank you for placing this coverage with The Cincinnati Insurance Companies!

Commission Schedule

Policy Number: EMO 072 52 83 **Effective Date:** 08-15-2024

Named Insured:

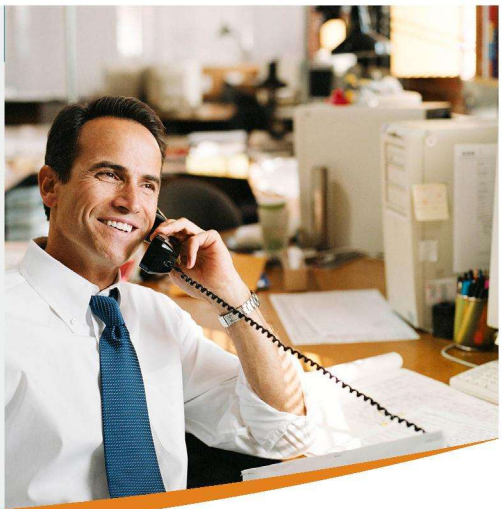
DELKUS TOWERS CONDOMINIUM ASSOCIATION, INC.,

Premium	Commission
$1,879 ANNUAL	17%
$19 ANNUAL TAXES AND SURCHARGES	0%

The Cincinnati Insurance Companies

Management Liability

TOOLS TO HELP YOU MANAGE RISK



When you purchase Cincinnati's exceptional Pillar™ management liability insurance to protect your organization, you receive access to risk management tools at no additional cost to help you with the complex situations covered by your policy.

Depending on the coverage options you purchase, you may also gain access to services provided by risk management specialists who can answer questions related to managing your community association, employment practices issues, cyber liability exposures or workplace violence. Most of these services are also available at no additional cost.

☐ **Nonprofit Risk Management Portal:** Are you a nonprofit organization looking for expert risk management guidance? Cincinnati's policyholders can register with Nonprofit Risk Management Center, a leader in the risk management space, to help you identify and manage risks that threaten your missions, while empowering you to take bold, mission-advancing steps. Comprehensive risk resources provide practical knowledge on the topics that matter to you, while self assessments lead you – step by step – to building a custom risk management plan. Please visit *cinfin.com/nonprofit-risk-resources* to register for NRMC services; have your Cincinnati Insurance policy number ready.

☒ **Community Association Helpline:** As a Pillar policyholder, you can call a toll-free helpline, 844-458-9556, for assistance reducing or avoiding a potential wrongful acts loss related to managing your community association. Please have your Pillar Directors & Officers policy number ready before you call. When you place your call, leave a message including your name, complete contact information, policy number and your question or concern. A helpline lawyer will call you back, usually within one business day. Please be advised that each helpline call is limited to one hour. There is no additional charge for using this policyholder helpline.

☒ **Employment Practices Helpline:** Do you have questions about how to handle employment situations? Pillar policyholders whose coverage includes Cincinnati's employment practices liability insurance may call our toll-free Employment Connection helpline, 888-811-3427, for guidance from an attorney prior to making employment-related decisions. We offer eligible policyholders an unlimited number of calls seeking advice on employment policies and procedures.

For information, coverage availability in your state, quotes or policy service, please contact your local independent agent recommending coverage.

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☐ **Cyber Risk Management Portal:** Cincinnati's cyber policyholders may access eRiskHub, an online portal that provides news, information and tools to help mitigate a breach or hacking event, virus infection or other cyberattack. On eRiskHub, you will find information about privacy laws, compliance and breach response guides including compliance resources, notification letter examples, and credit bureau and government agency notifications. Other data risk management expertise may be engaged to help diagnose and repair virus infections and other common computer problems. Some services offered may extend beyond what the policy covers and include an additional charge. Please visit *https://eriskhub.com/cic* to set up an account using the access code provided with your policy or available from your agent to begin exploring this valuable resource.

☐ **Workplace Violence Hotline:** After a covered workplace violence event, Pillar policyholders who have added Cincinnati's optional workplace violence expense coverage to their EPLI policy can receive help to create a response and begin the recovery process. Simply call the toll-free, 24-hour hotline, 877-841-1082. It's monitored by Black Swan Solutions, a business unit of Empathia, Inc., which is an industry-leading crisis support organization. Coverage also reimburses recovery expenses for security, public relations, counselors and lost salaries, wages and business income. While policyholders are not obligated to use Black Swan Solutions, this resource is available if you need them.

☐ **Kidnap, Ransom and Extortion:** Success attracts respect, recognition and rewards, yet may leave you vulnerable to kidnapping and extortion attempts. This policy option pays for the vital services of Control Risks Group, a kidnap extortion and crisis management consulting firm. Experts help manage all aspects of the situation, work toward the safe return of the victim and negotiate ransom requests. They also try to identify those responsible, assess the circumstances and search for a motive.

Selecting the right company

With Cincinnati's Pillar management liability coverage, know that you have an exceptional insurance program from a company offering:

- A management team specifically dedicated to keeping your program on the leading edge
- Superior claims service provided by Cincinnati professionals
- High financial strength rating from A.M. Best Co., reflecting our ability to pay claims and keep our promises.
- For qualifying accounts, multi-year policy terms are available in most states for many coverages, saving you the added time and expense of annual renewals

Your agent recommending Cincinnati can provide more details, answer questions and add the coverage you need.

Thank you for trusting your agent and Cincinnati to protect your business.

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Our loss control service is advisory only. We assume no responsibility for management or control of customer loss control activities or for implementation of recommended corrective measures. These materials were gathered from trade services and public information. We have not tried to identify all exposures. We do not warrant that this information is consistent with the underwriting guidelines of The Cincinnati Insurance Company and its subsidiaries or with any federal, state or local law, regulation or ordinance.

This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. "The Cincinnati Insurance Companies", "Cincinnati Insurance" and "Cincinnati" refer to member companies of the insurer group providing property and casualty coverages through The Cincinnati Insurance Company or one of its wholly owned subsidiaries – The Cincinnati Indemnity Company or The Cincinnati Casualty Company. Each insurer has sole financial responsibility for its own products. Not all subsidiaries operate in all states. Do not reproduce or post online, in whole or in part, without written permission. Best's ratings are under continuous review and subject to change and/or affirmation. To confirm the current rating, please visit *www.ambest.com*. © 2020 The Cincinnati Insurance Company. 6200 S. Gilmore Road, Fairfield, OH 45014-5141.

The Cincinnati Insurance Company

A Stock Insurance Company

Headquarters: 6200 S. Gilmore Road, Fairfield, OH 45014-5141
Mailing address: P.O. Box 145496, Cincinnati, OH 45250-5496
www.cinfin.com ■ 513-870-2000

PILLAR
COMMON POLICY DECLARATIONS

Billing Method: **AGENCY BILL**

Policy Number: **EMO 072 52 83**

Named Insured: **DELKUS TOWERS CONDOMINIUM ASSOCIATION, INC.,**

Mailing Address: **6725 HARDING AVE**
MIAMI BEACH, FL 33141-5740

Principal Address: **6725 HARDING AVE**
MIAMI BEACH, FL 33141-5740

Previous Policy Number: **NEW**

Policy Period: (At 12:01 AM standard time at your principal address shown above.)

FROM: **08-15-2024** TO: **08-15-2027**

Agency: **RISK STRATEGIES COMPANY 09-242**
City, State: **HOLLYWOOD, FL**

Shared Annual Aggregate Limit of Liability: **N/A**

Applicable to all **claims** under the following liability coverage parts:

In return for the payment of the premium and subject to all the terms and conditions of this policy, we agree with you to provide the insurance as stated in this policy.

Forms applicable to all coverage parts:

ML400	01/16	**SUMMARY OF PREMIUMS CHARGED**
ML101	01/20	**GENERAL PROVISIONS**
IA4234FL	01/15	**POLICYHOLDER NOTICE TERRORISM INSURANCE COVERAGE - FLORIDA**
ML4005FL	01/24	**FLORIDA CHANGES - CANCELLATION AND NONRENEWAL**
ML4006FL	01/20	**FLORIDA CHANGES - PILLAR POLICY PROGRAM**

ML458FL	01/16	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM - FLORIDA
IA4427	02/13	NOTICE OF LOSS CONTROL SERVICES
IA4486	03/17	NOTICE OF LOSS CONTROL SERVICES- COMMUNITY ASSOCIATIONS
IA4521	03/20	NOTICE OF PRIVACY PRACTICES
IP446	08/01	NOTICE TO POLICYHOLDERS
IA4338	05/11	SIGNATURE ENDORSEMENT
IP412	12/92	IMPORTANT INFORMATION TO POLICYHOLDERS
ML304	01/16	SPECIFIC INCIDENT EXCLUSION
ML384	04/23	AMENDED WAR EXCLUSION

Coverage part declarations:

ML506 01/16	COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE PART DECLARATIONS
ML512 01/16	EMPLOYMENT PRACTICES LIABILITY COVERAGE PART DECLARATIONS

Policy Number: EMO 072 52 83	Effective Date: 08-15-2024

SUMMARY OF PREMIUMS CHARGED

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM CHARGE IS INDICATED

COMMUNITY ASSOCIATIONS DIRECTORS & OFFICERS LIABILITY	$ 1,629
EMPLOYMENT PRACTICES LIABILITY	$ 250
2023 FIGA ASSESSMENT	$ 19
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
Installment Charge	$
Total	$ 1,898

Payment Plan	First Installment	Remaining Installments
ANNUAL	$ 1,898	$ 1,898

ALL OTHER TERMS AND CONDITIONS REMAINS UNCHANGED

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

These General Provisions apply only to those Coverage Parts which include a liability coverage, which shall include all Coverage Parts other than Crime Coverage. Furthermore, any reference to the "policy" in these General Provisions refers to all Coverage Parts other than Crime Coverage.

Throughout this policy, the words "we", "us" and "our" refer to the Company providing this insurance.

In consideration of the payment of the premium, in reliance on all statements in the **application** and all other information provided to us and subject to all the provisions of this policy, including the Declarations, we and the **insureds** agree as set forth below.

SECTION I - DEFINITIONS

Where set forth in bold type in this policy, whether in singular or in plural, the following terms shall have the meanings indicated.

A. **Application** means:

1. The Application Form for this policy;

2. Any materials submitted with the Application Form which shall be maintained on file with us and shall be deemed to be attached hereto as if physically attached; and

3. Any warranty or representation provided to us within the last three years in connection with any policy of which this policy is a renewal or replacement.

B. **Claim** means:

1. With respect to the Cincinnati Data Defender™ Coverage Part, the Cincinnati Network Defender™ Coverage Part or the Cincinnati Cyber Defense™ Coverage Part, that meaning which is set forth in the applicable Coverage Part; or

2. With respect to any Coverage Part other than Cincinnati Data Defender™ Coverage Part, the Cincinnati Network Defender™ Coverage Part or the Cincinnati Cyber Defense™ Coverage Part, that meaning which is set forth in the applicable Coverage Part which shall precede the following:

In the event that a **claim,** as defined herein, was first made during the policy period of any other policy issued by another insurer of which the applicable coverage part of this policy is a direct replacement but no **executive** was aware of such **claim** prior to the expiration of the time to give notice of such claim under such prior policy, such **claim** is deemed to be made on the first service date of **claim** upon any **insured** but only if such claim was submitted to the prior carrier and denied due solely to such **claim** not meeting the prior policy's definition of claim until after the expiration of that policy. However, if such **claim** or any **interrelated claim** was the subject of any notice under any prior policy issued by another carrier of which the applicable coverage part of this policy is a direct replacement and such **claim** was not denied by such prior insurer due to the failure to meet the prior policy's definition of claim until after the expiration of that policy, then such **claim** shall not be deemed to be first made during the **policy period**.

C. **Cyber terrorism** means the premeditated use of disruptive activities, or threat to use disruptive activities, against a computer system or network with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives. Provided, however, that such activities shall not be considered **cyber terrorism** when they are committed by or at the express direction of a government simultaneously engaged in an active conflict involving physical combat by one or more military forces of, or operating at the direction of, nation states or factions in the case of a civil war.

D. **Debtor in possession** means a "debtor in possession" as that term is defined in Title 11 of the United States Code, as amended.

E. **Defense costs** has the meaning set forth in the applicable coverage part.

F. **Domestic partner** means a natural person who is not otherwise an insured, in a committed relationship with an **insured person**, which is legally recognizable as a marriage, civil union or domestic partnership in the state where the **claim** is made or suit is filed and the legal existence of the relationship is verifiable by legal, government documentation existing prior to the date of the **wrongful act** complained of in the **claim**.

G. **Executive** has the meaning set forth in the applicable coverage part.

H. **Extended reporting period** means the periods of time described in Section **XIX** of the General Provisions.

I. **Insured persons** has the meaning set forth in the applicable coverage part.

J. **Insured** has the meaning set forth in the applicable coverage part.

K. **Interrelated** means all events or incidents which have as a common nexus any:

1. Fact, circumstance, situation, event, transaction, or cause; or

2. Series of causally connected facts, circumstances, situations, events, transactions or causes.

L. **Loss** has the meaning set forth in the applicable coverage part.

M. **Named insured** means the entity or entities shown in the applicable Declarations as a Named Insured and any such entity in its capacity as a **debtor in possession**.

N. **Organization** has the meaning set forth in the applicable coverage part.

O. **Personal injury** has the meaning set forth in the applicable coverage part.

P. **Policy period** means the period from the inception date to the expiration date as set forth in the Declarations, or to the earlier date of cancellation of the applicable Coverage Part.

Q. **Policy year** means the period within the **policy period** from the inception date as set forth in the Declarations to the succeeding anniversary date exactly 1 year later at 12:01 AM standard time, and **policy year** means any subsequent annual period between anniversary dates at 12:01 AM standard time thereafter. In the event of a **policy period** less than 1 year, the **policy year** will be the same as the **policy period**.

In the event of an odd term **policy period** longer than 1 year, the **policy year** is the period from the inception date to the next chronological date which precedes the expiration date by exactly 1 or more years at 12:01 AM standard time. If there are subsequent annual periods remaining in the **policy period** after that date at 12:01 AM standard time, such annual periods will each be a **policy year**.

However, if after the issuance of this Coverage Part, any **policy year** is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding **policy year**.

R. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals, asbestos products, petroleum products and their by-products and waste. Waste includes material to be recyded, reconditioned or reclaimed. **Pollutants** does not mean noise. **Pollutants** include but are not limited to substances that are generally recognized in industry or government to be harmful or toxic to persons, property or the environment. regardless of whether the injury or damage is caused directly or indirectly by the **pollutants** and whether:

1. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or

2. The insured uses, generates or produces the **pollutant**.

S. **Subsidiary** means any entity in which the **named insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors, trustees, managers (if a limited liability company) or equivalent positions and any such entity in its capacity as a **debtor in possession**.

T. **Wrongful Act** has the meaning set forth in the applicable coverage part.

SECTION II – EXCLUSIONS

A. Nuclear

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, in consequence of, or in any way involving the hazardous properties, including radioactive, toxic or explosive properties, of any nuclear material. Nuclear material means any source material, special nuclear material, or by-product materials as those terms are defined under the Atomic Energy Act of 1954 or any amendments thereto.

B. Pollution

We are not liable to pay, indemnify or defend any **claim** for:

1. The actual, alleged, or threatened exposure to discharge, generation, storage, transportation, dispersal, seepage, migration, emission, release, treatment, removal, disposal or escape of **pollutants**; or

2. Any request, demand, order or statutory or regulatory requirement that the **named insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or

3. Any demand by or on behalf of any governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

However, as it applies to any Directors and Officers Liability Coverage (including Educators Legal Liability), this exclusion shall not apply to any **claim** to which Insuring Agreement **A.** solely applies.

C. Prior Knowledge

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of, or in any way involving any **wrongful act** committed, attempted or allegedly committed or attempted prior to the **policy period** of the applicable Coverage Part if:

1. Prior to the earlier of the following dates:

a. The inception of the applicable Coverage Part;

b. The inception of the original Coverage Part of which the applicable Coverage Part is a renewal or replacement; or

c. The Continuity Date, if any, stated in the Declarations for the applicable Coverage Part;

any **executive** knew that such **wrongful act** is or would reasonably be regarded as the basis of a **claim**; or

2. There is a previous policy under which the **insureds** are entitled to coverage for such **claim**.

D. Prior Notice

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, in consequence of, or in any way involving:

1. Any **wrongful act** or any fact, circumstance or situation which has been the subject of any accepted notice given prior to the **policy period** under any policy or coverage part of which this policy is a direct or indirect renewal or replacement; or

2. Any other **wrongful act** whenever occurring, which, together with a **wrongful act** which has been the subject of such accepted notice, would constitute **interrelated wrongful acts**.

E. Prior or Pending Proceeding

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of, or in any way involving any prior or pending demand or civil, criminal, administrative or regulatory proceeding against any **Insured** as of the Prior or Pending Date stated in the Declarations of the applicable coverage part or any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory asserted in such **claim**.

F. Telephone Consumer Protection Act

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged violation of:

1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

3. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

G. War and Military Action

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, in consequence of, or in any way involving:

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;

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes Exclusion **A.** above.

With respect to the Cincinnati Data Defender™ Coverage Form, the Cincinnati Network Defender™ Coverage Form or the Cincinnati Cyber Defense™ Coverage Form only this exclusion will not apply to **cyber terrorism**.

SECTION III - SEVERABILITY OF EXCLUSIONS

With respect to determining the applicability of the above Exclusions, no **wrongful act** or knowledge possessed by any one of the **insureds** shall be imputed to any other **insureds** to determine if coverage is available, unless indicated otherwise.

SECTION IV - LIMITS OF INSURANCE, DEDUCTIBLES, MULTIPLE CLAIMS AND EXHAUSTION

A. If a single **claim** is covered under more than one Coverage Part, then our maximum liability for all **loss** resulting from such **claim** shall be the largest applicable Limit of Insurance available under any one of the applicable Coverage Parts.

B. The Deductibles for each Coverage Part apply separately to the respective Coverage Parts. If a single **claim** is covered under more than one Coverage Part, the applicable Deductibles shall be applied separately to the part of the **claim** covered by each Coverage Part but the sum of such Deductibles shall not exceed the largest applicable Deductible. The Deductibles shall be borne by the **insureds** uninsured and at their own risk.

C. If the aggregate Limit of Insurance for a particular Coverage Part is exhausted, then all of our obligations under that Coverage Part shall be deemed to be completely fulfilled and extinguished as of the date of such exhaustion. If the Shared Annual Aggregate Limit of Liability, if so set forth on the Common Policy Declarations, is exhausted, then all of our obligations under the policy for the remainder of the annual period as described in **SECTION IV.D.** below shall be deemed to be completely fulfilled and extinguished as of the date of such exhaustion.

D. The Limits of Insurance of each Coverage Part and the Shared Annual Aggregate Limit of Liability, if so set forth on the Common Policy Declarations, apply separately to each **policy year**. If the **policy period** of the respective Coverage Part is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period of the respective Coverage part for purposes of determining the Limits of Insurance.

E. Regardless of the number of policies or Coverage Parts involved, all **claims** based upon or arising out of the same **wrongful act** or any **interrelated wrongful acts** shall be considered a single **claim**. Each **claim** shall be deemed to be first made at the earliest of the following times:

1. When notice of the earliest **claim** arising out of such **wrongful act** or **interrelated wrongful acts** is received in writing by an **insured** or by us, whichever comes first; or

2. When notice of a **wrongful act** giving rise to such **claim** is given pursuant to Section **VI** of the General Provisions.

F. In the event that more than one of the **insureds** is included in the same **claim**, the total amount of **loss** resulting from such **claim** and the Deductible shall be apportioned pro-rata among the **insureds** in proportion to their respective **loss** unless otherwise mutually agreed upon by the **insureds** and us.

SECTION V - DUTIES OF THE INSUREDS IN THE EVENT OF A CLAIM

As conditions precedent to coverage under this policy:

A. The **insureds** shall give us written notice of any **claim** made against any of the **insureds** for a **wrongful act** as soon as practicable after any **executive** of the **named insured** has knowledge of such **claim**, and shall cooperate and provide information as we may reasonably require, including but not limited to providing a description of the **claim**, the nature of the alleged **wrongful act**, the nature of the alleged injury, the names of the claimants, and the manner in which the **insureds** first became aware of the **claim**. As soon as practicable, the **insureds** shall furnish us with copies of reports, investigations, pleadings and other papers in connection with the **claim**.

B. The **insureds** shall provide us with all information, assistance and cooperation which we reasonably request and agree that in the event of a **claim** the **insureds** will do nothing which may prejudice our position or our potential or actual rights of recovery. The failure of any **insured person** to do so shall not impair the rights of any other **insured person** under this policy.

C. The **insureds** shall not settle any **claim**, incur any **defense costs** or otherwise assume any obligation or admit any liability with respect to any **claim** without our prior written consent. We shall be entitled to full information and all particulars we may request in order to reach a decision as to such consent. We shall not be liable for any settlement, **defense costs**, assumed obligation or admission to which we have not consented.

If the **insureds** fail to provide notice of any **claim** to us as required under this Section, we shall not be entitled to deny coverage for the **claim** based solely upon late notice unless we can demonstrate that our interests were materially prejudiced by reason of such late notice.

This Section does not apply to the Cincinnati Data Defender™ Coverage Form, the Cincinnati Network Defender™ Coverage Form or the Cincinnati Cyber Defense™ Coverage Form.

SECTION VI - NOTICE OF A WRONGFUL ACT

If prior to the end of the **policy period** of the applicable Coverage Part, any of the **insureds** first become aware of a specific **wrongful act** they believe is likely to give rise to a **claim**, and if any of the **insureds** give us written notice as soon as practicable, but prior to the end of the **policy period** of the applicable Coverage Part, of:

A. The specific **wrongful act**;

B. The injury or damage which has or may result therefrom; and

C. The circumstances by which the **insureds** first became aware thereof;

then any **claim** subsequently made arising out of such **wrongful act** shall be deemed to have been made when notice of the **wrongful act** was first given.

SECTION VII - DIRECTION OF CORRESPONDENCE TO US

All notices and other materials provided to us pursuant to the terms of this policy shall be directed to the Management Liability Claims Manager at one of the following addresses:

A. MgmtLiabilityClaims@cinfin.com

B. The Cincinnati Insurance Company
P.O. Box 145496
Cincinnati, OH 45250-5496

SECTION VIII - APPLICATION

The **application** is the basis of this policy and is incorporated into and constitutes a part of this policy. It is agreed by the **insureds** that the statements in the **application** are their representations, that they are material and that this policy is issued in reliance upon the truth of such representations provided.

In the event that the **application** contains any misrepresentation or omission with respect to a specific **wrongful act** or the knowledge of any of the **insureds** of any matter which such **insured** has reason to believe may give rise to a future **claim** made with the intent to deceive or which materially affects the acceptability of the risk or hazard assumed by us, then no coverage shall be afforded for any **claim** based upon, arising from or in consequence of any such misrepresentation or omission. Such misrepresentation or omission shall not be imputed to any other **insureds** for purposes of determining the validity of this policy to such other **insureds** except:

A. Any **insured person** who knew that the statement or representation was not true as of the inception date of coverage;

B. The **organization** with respect to any **executive** who knew that the statement or representation was not true as of the inception date of coverage; and

C. The **organization** if the signer of the **application** knew that the statement or representation was untrue.

We shall not be entitled under any circumstances to void or rescind this policy with respect to any **insured**.

SECTION IX - CHANGES IN EXPOSURE

A. Change in Ownership of Named Insured

If during the **policy period** of the applicable Coverage Part:

1. The **named insured** consolidates with or merges into another entity such that such **named insured** is not the surviving entity;

2. Another entity or person or group of entities and/or persons acting in concert acquires more than 50% ownership of the **named insured** or voting rights which result in ownership or voting control by the other organization(s) or person(s) of more than 50% of the outstanding securities or voting rights representing the present right to vote for the election of directors, trustees or managers (if a limited liability company) of the **named insured**;

then, subject to all the other provisions of this policy, coverage under the applicable Coverage Part shall continue to apply to such **named insured** and its **insureds** until the end of the applicable **policy period** or any applicable **extended reporting period**, but only with respect to **claims** for **wrongful acts** committed, attempted or allegedly committed or attempted prior to such transaction. The **named insured** shall give written notice to us as soon as practicable, but in no event later than 90 days after such transaction.

B. Cessation of Subsidiaries

If during the **policy period** of the applicable Coverage Part any entity ceases to be a **subsidiary** as defined in the applicable Coverage Part, then, subject to all the other provisions of this policy, coverage under the applicable Coverage Part shall continue to apply to such entity and its **insureds** until the end of the applicable **policy period** or any applicable **extended reporting period**, but only with respect to **claims** for **wrongful acts** committed, attempted or allegedly committed or attempted prior to the date such entity ceases to be a **subsidiary**. The **named insured** shall give written notice to us as soon as practicable, but in no event later than 90 days after the entity ceases to be a **subsidiary**.

C. Acquisition or Formation of Entity

If during the **policy period** of the applicable Coverage Part the **named insured** newly acquires or forms another entity over which such **named insured** maintains more than 50% ownership for the purpose of coverage under the Coverage Part applicable to such **named insured**, the newly acquired or formed entity shall be deemed to be a **subsidiary**; however, coverage shall be excess of any indemnification or insurance otherwise available to such newly acquired or formed entity from any other source. Furthermore, coverage does not apply to **claims** for **wrongful acts** committed, attempted or allegedly committed or attempted prior to the date the **named insured** acquired or formed the entity unless we agree, after presentation of a complete application and all appropriate information, to provide coverage by endorsement for such **claims** and the **named insured** pays any additional premium we require for the endorsement.

SECTION X - OTHER INSURANCE ISSUED BY ANOTHER INSURER

This insurance is primary except when all or any part of **loss** is also insured under any other valid and collectible prior or current policy. If any other insurance issued by another insurer (with the exception of insurance issued by us, any of our affiliated companies, or any of our predecessors or their affiliated companies) applies to any **claim**, then this insurance is excess over that other insurance, whether primary, excess, contingent or on any other basis, unless that other insurance was purchased specifically to apply excess over the limits provided in this policy. Furthermore, with respect to any coverage that may be provided for any **claim** for actual or alleged **personal injury**, such **claims** shall be specifically excess of any similar coverage provided by the **organization's** General Liability Policy.

When this policy is excess:

A. We will have no duty to defend any **claim** when any other insurer has that duty. If another insurer fails to defend and we incur costs as a result of such failure, we will be entitled to the **insureds'** rights against such other insurer; and

B. We will pay only our share of the amount of the **loss**, if any, that exceeds the sum of:

1. The total amount that all such other insurance would pay for the **loss** in the absence of this policy; and

2. The total of all deductible and self-insured amounts under all such other insurance.

SECTION XI - SPOUSE AND LEGAL REPRESENTATIVE EXTENSION

The liability coverage parts in this policy will, subject to all other terms, conditions and exclusions of the applicable Coverage Part and the General Provisions, be extended to apply to **claims** for the **wrongful acts** of an **insured person** made against:

A. The spouse or **domestic partner** of an **insured person** but only to the extent such person is a party to any **claim** solely in such person's capacity as a spouse or **domestic partner** of an **insured person** and only if the **claim** seeks damages recoverable from marital community property jointly held by the **insured person** and the spouse or **domestic partner**, or property transferred from the **insured person** to the spouse; or

B. Their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

We have no obligation to make any payment for **loss** in connection with any **claim** against a spouse, **domestic partner**, estates, heirs, legal representatives or assigns of an **insured person** for any actual or alleged, error, misstatement, misleading statement, act, omission, neglect or breach of duty committed, attempted or allegedly committed or attempted by such spouse, **domestic partner**, estates, heirs, legal representatives or assigns.

SECTION XII - MEDIATION AND ALLOCATION

A. Any dispute including but not limited to tort claims or contract claims between an **insured** and us arising out of or relating to this policy shall be submitted to non-binding mediation prior to commencement of an action between the parties. The mediator shall be chosen by agreement. If the parties cannot agree upon a mediator, the mediator shall be chosen by the American Arbitration Association.

B. If both **loss** covered by this policy and loss not covered by this policy are incurred in a **claim** for which coverage is afforded, either because a **claim**:

1. Against an **insured** includes both covered and uncovered matters, we will pay 100% of **defense costs** and all remaining loss will be allocated between covered **loss** and uncovered loss based upon the relative legal exposure to the parties to such matters; or

2. Is made against both an **insured** and others, we will pay **defense costs** for our **insured**, and all remaining loss will be allocated between covered **loss** and uncovered loss based upon the relative legal exposure to the parties to such matters.

C. If we and the **insureds** cannot agree as to matters in **B.** above prior to a judgment or finding in the civil or administrative proceeding dealing with **claims** against the **insureds**, the parties agree that they will, to the extent it is within their control, require that the allocation between covered **loss** and uncovered loss is made in such civil or administrative proceeding. Such efforts shall include but are not limited to the submission of special interrogatories to the finder of fact in such proceeding. Such efforts shall not require us to become a party to such civil or administrative proceeding.

D. Notwithstanding **C.** above, if we and the **insureds** cannot agree as to matters in Section **B.** above prior to a judgment or finding in any civil or administrative proceeding in which such issues are decided, we may at any time before or after mediation under **A.** above settle all **claims** against any or all **insureds**. Following such settlement, any dispute between us and the **insureds** as to the proper allocation of covered and uncovered matters under **B.** above shall be submitted to non-binding mediation prior to the commencement of an action between the parties. In any event, only one mediation as to the same issues shall be required.

SECTION XIII - ACTION AGAINST US

A. No action shall be taken against us unless, as a condition precedent thereto, there has been full compliance with all of the terms of this policy and until the obligation of the **insureds** to pay shall have been finally determined, either by an adjudication against them or by written agreement of the **insureds**, the claimant and us. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Bankruptcy or insolvency of an **insured** or of an **insured's** estate shall not relieve us of any of our obligations hereunder.

B. No person or organization shall have any right under this policy to join us as a party to any **claim**. Neither the **insureds** nor their legal representative shall implead us in any **claim**.

This Section does not apply to the Cincinnati Data Defender™ Coverage Form, the Cincinnati Network Defender™ Coverage Form or the Cincinnati Cyber Defense™ Coverage Form.

SECTION XIV - SUBROGATION

In the event of any payment under this policy, we shall be subrogated to all of the rights to recovery of the **insureds** to the extent of such payment. The **insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents as may be necessary to enable us to effectively bring suit in the name of the **insureds**.

SECTION XV - CHANGES IN THIS POLICY

No change or modification of, or assignment of interest under this policy shall be effective except when made by us through a written endorsement to this policy.

SECTION XVI - CONFORMITY TO STATUTE

Any terms of this policy which are in conflict with the terms of any applicable laws construing this policy are hereby amended to conform to such laws.

SECTION XVII - ENTIRE AGREEMENT

By acceptance of this policy, we and the **insureds** agree that this policy (including the **application**) and any written endorsements attached hereto constitute the entire agreement between the parties.

SECTION XVIII - REPRESENTATION BY NAMED INSURED

The first **named insured** shall act on behalf of all of the **insureds** in purchasing this policy and for any purposes under the policy.

SECTION XIX - EXTENDED REPORTING PERIODS

A. Upon termination of any Coverage Parts for any reason, other than nonpayment of premium, the **named insured** shall be provided a 90 day Automatic Extended Reporting Period and have the option to replace the 90 day Automatic Extended Reporting Period with a 12 month Optional Extended Reporting Period. The **named insured** may also request an Optional Extended Reporting Period with a term longer than 12 months, which may be provided solely at our discretion.

1. Automatic Extended Reporting Period

A 90 day Automatic Extended Reporting Period is automatically provided without additional charge. The Automatic Extended Reporting Period starts immediately after the end of the **policy period** of the applicable Coverage Part.

2. Optional Extended Reporting Periods

a. The **named insured** shall have the option to purchase a 12 month Extended Reporting Period to replace the 90 day Automatic Extended Reporting Period for an additional premium equal to 75% of the expiring annual premium for the applicable Coverage Part.

b. Additional Optional Extended Reporting Periods may be available for an additional premium charge if an Extended Reporting Period longer than 12 months is desired. It is solely our decision whether to permit the first **named insured** to purchase an Extended Reporting Period with a term longer than 12 months.

The first **named insured** must give us a written request of their intent to purchase an Optional Extended Reporting Period within 60 days after the **policy period** of the applicable Coverage Part or that option shall terminate. The Optional Extended Reporting Period will not go into effect unless the first **named insured** pays the additional premium promptly when due.

B. The Extended Reporting Periods do not extend the **policy period** or change the scope of coverage provided. They extend the **claims** reporting period.

C. The Extended Reporting Periods extend coverage to **claims** first made during the length of time covered by the applicable Extended Reporting Period provided the **wrongful act** was committed, attempted or allegedly committed or attempted prior to the end of the **policy period** of the applicable Coverage Part, and all such **claims** shall be subject to all other terms, conditions and exclusions of the applicable Coverage Part and the General Provisions. Such **claims** must be reported in writing to us prior to the expiration of the applicable Extended Reporting Period.

D. The Extended Reporting Period, regardless of length does not reinstate or increase the Limits of Insurance of the applicable Coverage Part or the Shared Annual Aggregate Limit of Liability, if so set forth on the Common Policy Declarations. Our total liability shall not exceed the Limit of Insurance shown in the applicable Declarations for the last **policy year** in which coverage is provided hereunder.

E. Any Extended Reporting Period will immediately terminate on the effective date and time of any other insurance issued to the **insureds** which replaces this insurance. The entire premium for any Extended Reporting Period shall be fully earned at the commencement of any Extended Reporting Period.

F. If the terms under this section are invoked under the Cincinnati Data Defender™ Coverage Part or the Cincinnati Cyber Defense™ Coverage Part, the term **claim** as used in this section may also mean **regulatory proceeding.**

SECTION XX - COVERAGE TERRITORY

This policy applies to any **claim** for a **wrongful act** committed, attempted or allegedly committed or attempted anywhere in the world unless indicated otherwise. However, if insurance provided by this policy would be in violation of any United States economic or trade sanctions, such insurance shall be null and void.

SECTION XXI - LIBERALIZATION

If we adopt any revision that would broaden the coverage under this insurance and would be effective during the **policy period** without additional premium, the broadened coverage will immediately apply to this insurance as of the latter of:

A. The date we implemented the change in the headquarters state which is the basis upon which the policy was issued; or

B. The date the applicable Coverage Part became effective.

SECTION XXII - PARENT COMPANY AND FRANCHISOR EXTENSION

Upon written request of the president, chairperson or equivalent position of the **named insured,** we shall extend coverage under this policy to **defense costs** resulting from any **claim** made against a parent company or franchisor of the **named insured** or any **subsidiary** but only if and so long as:

A. The **claim** arises out of a **wrongful act** actually or allegedly committed solely by an **insured**;

B. The **insured** is included as a co-defendant in addition to the parent company or franchisor; and

C. The **insured** as well as the parent company or franchisor are represented by the same counsel in connection with such **claim**.

For the purposes of this extension, a parent company or franchisor shall include:

A. Any entity other than a natural person which owns more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors, trustees, managers (if a limited liability company) or equivalent of a **named insured** or **subsidiary**; or

B. Any franchisor who has granted to an **insured** under a franchise agreement any franchise or franchise rights to allow the **insured** to operate as a franchisee or a franchised dealer.

This Section does not apply to the Cincinnati Data Defender™ Coverage Form, the Cincinnati Network Defender™ Coverage Form or the Cincinnati Cyber Defense™ Coverage Form.

SECTION XXIII – STATE INCONSISTENCY

In the event there is an inconsistency between a state amendatory endorsement attached to this policy and any term or condition of this policy, then where permitted by law, we shall apply those terms and conditions which are most favorable to the **insured**.

POLICYHOLDER DISCLOSURE NOTICE
TERRORISM INSURANCE COVERAGE - FLORIDA

Your policy (or the policy proposed to you) may contain coverage for certain losses caused by certified acts of terrorism.

Premium:

In accordance with the federal Terrorism Risk Insurance Act, we are required to notify you of the portion of the premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act.

- The portion of your premium that is attributable to coverage for terrorist acts certified under the Act is $ 0.

Federal Participation:

The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

- Under your policy, any losses caused by certified acts of terrorism would be partially reimbursed by the United States Government, Department of Treasury, under a formula established by federal law. Under this formula, the federal share equals a percentage, as specified in the Schedule below, of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.
- **Schedule:**

Federal Share of Terrorism Losses	
Percentage	**Calendar Year**
85%	2015
84%	2016
83%	2017
82%	2018
81%	2019
80%	2020

Cap on Insurer Participation:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

PILLAR POLICY PROGRAM

The following provision is added:

CANCELLATION AND NONRENEWAL

A. The first **named insured** shown in the Declarations may cancel this policy or any of its Coverage Parts by mailing or delivering to us advance written notice of cancellation.

B. Cancellation of Policies in Effect

1. For 60 Days or Less

If this policy has been in effect for 60 days or less, we may cancel this policy or any of its Coverage Parts by mailing or delivering to the first **named insured** written notice of cancellation, accompanied by the reasons for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:

(1) A material misstatement or misrepresentation; or

(2) A failure to comply with the underwriting requirements established by the insurer.

2. For More than 60 Days

If this policy has been in effect for more than 60 days, we may cancel this policy or any of its Coverage Parts only for one or more of the following reasons:

a. Nonpayment of premium;

b. The policy was obtained by a material misstatement;

c. Failure to comply with underwriting requirements established by the insurer within 60 days of the effective date of coverage;

d. A substantial change in the risk covered by the policy; or

e. The cancellation is for all insureds under such policies for a given class of insureds.

If we cancel this policy or any of its Coverage Parts for any of these reasons, we will mail or deliver to the first **named insured** written notice of cancellation, accompanied by the reasons for cancellation, at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 45 days before the effective date of cancellation if we cancel for any of the other reasons stated in Paragraph **B.2.**

C. We will mail or deliver our notice to the first **named insured's** last mailing address known to us.

D. Notice of cancellation will state the effective date of cancellation. The **policy period** will end on that date.

E. If this policy or any of its Coverage Parts is cancelled, we will send the first **named insured** any premium refund due. If we cancel, the refund will be pro rata. If the first **named insured** cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this policy

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is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to the **named insured's** full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept the **named insured's** own audit, and any premium refund due shall be mailed within 10 working days of receipt of the **named insured's** audit.

The cancellation will be effective even if we have not made or offered a refund.

F. If notice is mailed, proof of mailing will be sufficient proof of notice.

G. Nonrenewal

1. If we decide not to renew this policy or a particular Coverage Part, we will mail or deliver to the first **named insured** written notice of nonrenewal, accompanied by the reason for nonrenewal, at least 45 days prior to:

a. The expiration date of this policy; or

b. The end of a **policy year**, if this policy is written for a term of more than one year.

2. Any notice of nonrenewal will be mailed or delivered to the first **named insured's** last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

All other provisions of the policy remain unchanged except as herein expressly modified.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES - PILLAR POLICY PROGRAM

This endorsement modifies insurance provided under the following:

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

A. **SECTION I - DEFINITIONS** of the **GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS**, Item **Q. Pollutants** is deleted in its entirety and replaced by the following:

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

B. **SECTION I - DEFINITIONS** of the **GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS**, Paragraph **3.** of Item **A. Application** is deleted in its entirety and replaced by the following:

3. Any representation provided to us within the last three years in connection with any policy of which this policy is a renewal or replacement.

C. The following is added to **SECTION II - EXCLUSIONS, A. Nuclear**:

This exclusion does not apply to acts of terrorism.

D. The introductory sentence in **SECTION V - DUTIES OF THE INSUREDS IN THE EVENT OF A CLAIM** of the **GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS,** is deleted in its entirety.

E. **SECTION XIII - ACTION AGAINST US** of the **GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS** is amended as follows:

The first sentence of Paragraph **A.** is deleted in its entirety and replaced by the following:

No action shall be taken against us unless there shall have been full compliance with all of the terms of the policy before action shall be taken against us and until the amount of an **insured's** obligation to pay shall have been finally determined either by judgment against an **insured** after actual trial or by written agreement of an **insured**, the claimant or the claimant's legal representative, and us.

F. **SECTION XIX - EXTENDED REPORTING PERIODS** of the **GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS** is amended as follows:

The first sentence of Paragraph **A.** is deleted in its entirety and replaced by the following:

Upon termination of any Coverage Parts for any reason, the **named insured** shall be provided a 90 day Automatic Extended Reporting Period and have the option to replace the 90 day Automatic Extended Reporting Period with a 12 month Optional Extended Reporting Period.

G. Paragraph **E.** of **SECTION XIX - EXTENDED REPORTING PERIODS** is deleted in its entirety and replaced by the following:

E. Any Extended Reporting Period will immediately terminate on the effective date and time of any other insurance issued to the **insureds** which replaces this insurance.

H. **SECTION I – DEFINITIONS**, **L. Loss** is deleted in its entirety and replaced by the following:

L. **Loss** has the meaning set forth in the applicable coverage part. However, wherever the phrase "and punitive or exemplary damages or the multiplied portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiplied damages" exists, it shall be deleted and replaced by the following:

and punitive or exemplary damages or the multiplied portion of any multiplied damage award, if and to the extent that **(i)** such punitive, exemplary or multiplied damages are insurable under the law of the

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jurisdiction most favorable to the insurability of such damages, provided such jurisdiction has a substantial relationship to the relevant **insured**, to the Insurer, or to the **claim** giving rise to the damages, and **(ii)** such **claim** is brought in a federal or state court other than a Florida state court.

All other provisions of the policy remain unchanged except as herein expressly modified.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM - FLORIDA

This endorsement modifies insurance provided under the following:

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

A. SECTION I - DEFINITIONS is amended to add the following:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a **certified act of terrorism** include the following:

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

B. CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

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

C. APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability, omission or absence of a terrorism exclusion does not serve to create coverage for any **loss** which would otherwise be excluded under this policy.

All other provisions of the policy remain unchanged except as herein expressly modified.

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NOTICE OF LOSS CONTROL SERVICES

The Cincinnati Insurance Companies provide certain loss prevention services to policyholders at no additional cost. These services are designed to prevent or reduce the impact of potential loss causing events or conditions related to the type(s) of insurance coverage you have purchased from us. One of these services that you can receive is described below:

Employment Practices Liability (EPL) Toll-Free Hot Line

Have a question on how to handle an employment situation? Simply call The Cincinnati Insurance Companies Employment Connection at 1-888-811-3427 for assistance. We offer policyholders an unlimited number of calls seeking advice on employment policies and procedures.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, you should consult competent legal counsel to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice. Use of the EPL Toll-Free Hot Line will not be deemed to satisfy any notice of claim or notice of wrongful act provision contained in any policy.

NOTICE OF LOSS CONTROL SERVICES - COMMUNITY ASSOCIATIONS

The Cincinnati Insurance Companies provide certain loss control services to policyholders at no additional cost. These services are designed to help you prevent or reduce the impact of a potential loss related to the type(s) of insurance coverage you have purchased from us. One of these services that you can receive is described below:

Community Association Toll-Free Help Line

If you have a question or concern about reducing or avoiding a potential wrongful acts loss, please call 844-458-9556 for assistance. Please leave your contact information, policy number and your question or concern, and a lawyer will return your call, usually within one business day. Calls will be subject to a one hour per policyholder time limit.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, policyholders should consult legal counsel in your state to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice. Use of the Community Association Toll-Free Help Line will not be deemed to satisfy any notice of claim or notice of wrongful act provision contained in any policy. Refer to your policy for a complete statement of coverages, exclusions and limits of insurance.

NOTICE OF PRIVACY PRACTICES

For additional information on our privacy policies, including state specific information, please visit https://www.cinfin.com/privacy-policy.

THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY
THE CINCINNATI INDEMNITY COMPANY

NOTICE TO POLICYHOLDERS

Please be advised that in your application for insurance you disclosed information to The Cincinnati Insurance Company, The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The information disclosed in the application and all information subsequently collected by any of these companies may be shared among all three.

SIGNATURE ENDORSEMENT

IN WITNESS WHEREOF, this policy has been signed by our President and Secretary in the City of Fairfield, Ohio, but this policy shall not be binding upon us unless countersigned by an authorized representative of ours. The failure to countersign does not void coverage in Arizona, Virginia and Wisconsin.



Secretary



President

The signature on any form, endorsement, policy, declarations, jacket or application other than the signature of the President or Secretary named above is deleted and replaced by the above signatures.

IMPORTANT INFORMATION TO POLICYHOLDERS

In the event you need to contact someone about this policy for any reason, please contact your agent. If you have additional questions, you may contact the insurance company issuing this policy at the following address or telephone collect:

The Cincinnati Insurance Company
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Telephone (513) 870-2278

The Cincinnati Casualty Company
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Telephone (513) 870-2278

The Cincinnati Indemnity Company
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Telephone (513) 870-2278

The Cincinnati Life Insurance Company
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Telephone (513) 870-2000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIC INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

SECTION II - EXCLUSIONS is amended to add the following:

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of the incident(s) shown in the Schedule:

SCHEDULE

Incident(s):

PHILLY'S 2020-2021- CLAMT BISCAYNE PAINTING CORP; D&O BREACH OF CONTRACT CLAIM;THE CLAIMANT FAILED TO PERFORM THE JOB, YET NO CONTRACT HAD BEEN SIGNED BY THE INSURED.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED WAR EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS
CRIME COVERAGE
CRIME EXPANDED COVERAGE (XC®)

A. For the purposes of this endorsement only, the **DEFINITIONS** section of any Provisions or Coverage Part of this policy is amended to include the following:

1. **Agents** means any person, entity, organization or collection of persons, entities or organizations that have at any time been associated with or designated as having worked with or acted on behalf of any state, government, or sovereign.

The attribution of the actors' status as **agents** will be determined by relying on reasonable evidence such as, but not limited to:

a. Statements by an agency or department of the United States government;

b. Statements by an international group of which the United States is a member, such as the United Nations or the North Atlantic Treaty Organization, or any member of such an international group; or

c. Statements by a **recognized commercial authority**.

2. **Computer system** means any computer or network of computers or computer systems, hardware, software, communications system, electronic device (including but not limited to, smart phone, laptop, tablet, wearable device), server, cloud infrastructure or microcontroller including any configuration of the aforementioned and including any associated input, output, code, program, data, data storage device, networking equipment or back up facility.

3. **Cyber hostilities** means the use of a **computer system** that causes disruption or harm.

4. **Recognized commercial authority** means a business that provides information technology security or forensics services, including, but not limited to:

a. Symantec;

b. Mandiant;

c. Microsoft;

d. Apple;

e. Cisco; or

f. IBM.

5. **War** or **warlike action:**

a. Means physical combat, a state of armed conflict, or **cyber hostilities** engaged in by:

(1) Any state, government, or sovereign; or

(2) **Agents** of a state, government, or sovereign, against any other:

(a) State, government, or sovereign, including an agency or department thereof; or

(b) Person or entity targeted by such physical combat, armed conflict, or **cyber hostilities**; and

b. Includes any collateral loss, damage, cost, expense or liability for damages of any nature arising out of the physical combat, armed conflict, or **cyber hostilities** or any response to such physical combat, armed conflict, or **cyber hostilities**.

B. Any exclusion of War and Military Action is deleted in its entirety from any **EXCLUSIONS** section of any Provisions or Coverage Part of this policy and is replaced with the following:

G. War

This insurance does not apply to any form of loss, damage, cost, expense or liability for damages arising directly or indirectly from:

1. **War** and **warlike action**, including undeclared or civil **war** and **cyber hostilities**;

2. Hostile action, including action in hindering or defending against an actual or expected attack, by any state, government, or sovereign using military personnel or other **agents**; or

3. Insurrection, rebellion, revolution, usurped power, political violence or action taken by a state or government actor in hindering or defending against any of these, including **cyber hostilities** in connection with any of the foregoing.

The attribution of an action will be determined by relying on reasonable evidence such as, but not limited to:

a. Statements by an agency or department of the United States government;

b. Statements by an international group of which the United States is a member, such as the United Nations or the North Atlantic Treaty Organization, or any member of such an international group; or

c. Statements by a **recognized commercial authority**.

This exclusion applies notwithstanding anything to the contrary in this policy or any appendix or endorsement added to this policy.

All other provisions of the policy remain unchanged except as herein expressly modified.

The Cincinnati Insurance Company

A Stock Insurance Company

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE PART DECLARATIONS

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

Policy Number: EMO 072 52 83

Named Insured is the same as it appears in the Common Policy Declarations unless another entry is made here.

Limit of Insurance:	$ 1,000,000	in the aggregate
Investigative Costs Sublimit:	$ 100,000	in the aggregate
Excess Benefit Transaction Tax Sublimit:	$ 20,000	sublimit per **organizational manager**
Additional Defense Limit of Insurance:	$ UNLIMITED	in the aggregate
Excess Side A Limit of Insurance:	$ NOT COVERED	in the aggregate

Deductibles:	$ 0	each **claim** under Insuring Agreement **A** (Insured Persons)
	$ 2,500	each **claim** under Insuring Agreement **B** (Indemnification)
	$ 2,500	each **claim** under Insuring Agreement **C** (Organization)

Retroactive Date:	N/A
Prior or Pending Date:	08-15-2019
Continuity Date:	08-15-2019

Forms and endorsements applicable to this coverage part:

ML106	01/18	COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
IA450W	11/87	PROPERTY MANAGER AMENDATORY ENDORSEMENT
IA450ZZ	11/87	FAILURE TO FUND RESERVES EXCLUSION
ML207	01/21	CAPITAL ENDORSEMENT
ML356	01/21	AMENDED CONTRACT EXCLUSION

ML357	01/21	AMENDED CYBER EXCLUSION
ML360	09/23	BIOMETRIC INFORMATION PRIVACY EXCLUSION
ML381	01/21	CONSTRUCTION DEFECT EXCLUSION
ML4174	01/18	EXTRADITION COVERAGE ENDORSEMENT
ML4176	01/18	OUTSIDE ORGANIZATION AMENDATORY ENDORSEMENT

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COMMUNITY ASSOCIATION
DIRECTORS AND OFFICERS LIABILITY COVERAGE

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COMMUNITY ASSOCIATION
DIRECTORS AND OFFICERS LIABILITY COVERAGE

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

SECTION I - INSURING AGREEMENTS

A. We will pay on behalf of the **insured persons** all **loss** which they shall be legally obligated to pay, except for such **loss** which the **organization** actually pays as indemnification, resulting from any **claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, for a **wrongful act**.

B. We will pay on behalf of the **organization** all **loss** which the **organization** is required to pay as indemnification to the **insured persons** resulting from any **claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, for a **wrongful act**.

C. We will pay on behalf of the **organization** all **loss** which the **organization** is required to pay resulting from any **claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, against the **organization** for a **wrongful act**.

We will have the right and duty to select counsel and defend the **insureds** against any such **claim**.

SECTION II - DEFINITIONS

Where set forth in bold type in this Coverage Part, whether in singular or in plural, the following terms shall have the meanings indicated.

A. **Claim** means:

1. A written demand for monetary damages or non-monetary relief;

2. A civil proceeding commenced by the filing of a complaint or similar pleading;

3. A formal administrative or regulatory proceeding commenced by the filing of a complaint, charge, formal investigative order or similar document;

4. An arbitration, mediation or similar alternative dispute resolution proceeding in which monetary damages are sought if the **insured**:

a. Is required to participate in such proceeding; or

b. Agrees to participate in such proceeding with our written consent, such consent not to be unreasonably withheld;

5. A criminal proceeding commenced by the return of an indictment;

6. A written request to toll or waive a statute of limitations related to a potential **claim** described in Definitions **A.1** through **A.5.** above; or

7. A civil, administrative, regulatory or criminal investigation of an **insured person** once such **insured person** is identified in writing by such investigating authority as a person against whom a proceeding described in Definitions **A.2.**, **A.3** or **A.5.** may be commenced. The maximum Limit of Insurance for all such investigations against any **insured persons** shall be the Investigative Costs Sublimit set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. This sublimit shall be part of and not in addition to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and does not increase our maximum aggregate liability under this Coverage Part;

against any **insured**, including any appeal therefrom.

B. **Defense costs** means reasonable and necessary fees, costs, and expenses incurred by us or with our consent on behalf of the **insureds** or reimbursed to any of the **insureds** by us, resulting solely from the investigation, adjustment, defense and appeal of any **claim**. **Defense costs** includes, but is not limited to, the cost of expert consultants and witnesses, and premiums for appeal, injunction, attachment or supersedeas bonds (but not the obligation to furnish such bonds).

Defense costs shall not include:

1. Salaries, wages, fees, overhead or expenses of our employees or any **insureds**, directors, officers, trustees or employees, other than that portion of our employed attorneys' fees, salaries and expenses allocated to a specific **claim**;

2. Any amount covered by the duty to defend obligation of any other insurer; or

3. Any pre-tender fees, costs or expenses.

C. **Directors and officers** means all natural persons who were, now are, or shall become an officer, a duly elected or appointed member of the board of directors, trustees, regents, managers, governors, a **LLC manager** or an equivalent position of the **organization**.

D. **Disqualified person** means a disqualified person as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

E. **Employee** includes, but is not limited to, all natural persons who were, now are, or shall become full-time, part-time, seasonal, volunteer, contingent or leased workers of the **organization** as determined by federal, state or local law. **Employee** does not include independent contractors as determined by federal, state or local law.

F. **Employment related wrongful act** means a **wrongful act** arising from employment related activities including, but not limited to, hiring, training, supervision, evaluation, promotion, demotion, granting of tenure, and termination.

G. **Excess benefit transaction** means an excess benefit transaction as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

H. **Excess benefit transaction tax** means any excise tax imposed by the Internal Revenue Service on any **insured** who is an **organizational manager** as a result of such **insured's** participation in an **excess benefit transaction**.

I. **Executive** means any natural person who was, now is or shall become the chairperson, president or person of equivalent position to any of the foregoing of the **organization**.

J. **Financial impairment** means, with respect to the **organization** or any **outside organization**, the appointment of any receiver, conservator, liquidator, rehabilitator, trustee or similar official; or the **organization** or any **outside organization** becoming a **debtor in possession**.

K. **Insured** means the **organization** and the **insured persons**.

L. **Insured persons** means:

1. **Directors and officers**;

2. All natural persons who were, now are, or shall become an **employee** or committee member, whether or not they were, are or shall be compensated, of the **organization**;

3. All natural persons who were, now are, or shall become members or volunteers of the **organization** while acting on behalf of the **organization** in a voluntary capacity at the direction of the **directors and officers**; and

4. Any natural person who is a property manager or an employee of a property management company, but only for **claims** arising out of their **wrongful acts** while acting at the direction of the **named insured** or any **subsidiary** or arising out of the **wrongful acts** of the **insureds** for which the property management company's employees are vicariously liable; provided, however, that any coverage under this Coverage Part for any such property manager shall be excess of any indemnification or insurance otherwise available to such property manager from any other source.

M. **LLC manager** means any natural person who was, now is or shall become a manager, member of the board of managers or member of the **organization** that is a limited liability company but only with respect to the conduct of the limited liability company's business. However, any member of a limited liability company who is a passive investor not involved in the operations of the limited liability company is not a **LLC manager.**

N. **Loss** means **defense costs** and the total amount of monetary damages which the **insured** becomes legally obligated to pay on account of any **claim** for a **wrongful act** with respect to which coverage hereunder applies, including damages, judgments, settlements, prejudgment and postjudgment interest, and punitive or exemplary damages or the multiplied portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiplied damages.

Loss shall also include:

Any **excess benefit transaction tax** an **insured** is obligated to pay as a result of a **claim**. The maximum Limit of Insurance per each **organizational manager** for any **excess benefit transaction tax** shall be the Excess Benefit Transaction Tax Sublimit set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. This sublimit shall be part of and not in addition to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and does not increase our maximum aggregate liability under this Coverage Part. The **excess benefit transaction tax** shall not include the 25% excise tax assessed against any **disqualified person** or the 200% tax assessed for failure to correct an **excess benefit transaction**.

Loss shall not include:

1. Taxes, criminal or civil fines or penalties imposed by law, except as noted above;

2. Any restitution, disgorgement or similar sums; or

3. Any matter deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.

O. **Organization** means:

1. The **named insured**;

2. Any **subsidiary**; and

3. A property management company, but only for claims arising out of its **wrongful acts** while acting at the direction of the **named insured** or arising out of the **wrongful acts** of the **insureds** for which the property management company is vicariously liable.

P. **Organizational manager** means an organizational manager as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Q. **Outside organization** means any nonprofit corporation or organization other than the **organization**, which is described in Section 501(c)(2), (3), (4), (6), (7), (8), (10), (19), or 501(d) of the Internal Revenue Code of 1986, as amended, and is exempt from federal income taxation.

R. **Outside position** means the service of any **insured person** of the **organization** as an officer or member of the board of directors, trustees, regents, managers, governors, or equivalent position in any **outside organization** but only during the time that such service is performed at the direction of the **organization** or with the consent and knowledge of the **organization**.

S. **Personal injury** means invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, false detention, abuse of process, malicious prosecution, libel, slander, defamation, or disparaging of a person's or organization's goods, products or services.

T. **Property damage** means:

1. Injury or damage, of any nature, to tangible or intangible property, including all resulting loss of use of that property; or

2. Loss of or loss of use of tangible or intangible property that is not otherwise injured or damaged.

U. **Publishers liability** means infringement of copyright, trademark, service mark or trade name, unauthorized use of title, plagiarism or misappropriation of ideas.

V. **Third party** means any natural person who is not an **employee** of the **organization**.

W. **Wrongful act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty including any **personal injury** or **publishers liability** committed, attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and prior to the end of the **policy period** by:

1. Any of the **insured persons** in the discharge of their duties solely in their capacity as **insured persons** of the **organization**;

2. Any of the **insured persons** of the **organization** in the discharge of their duties solely in their capacity in an **outside position** in any **outside organization**;

3. Any of the **insured persons** solely by reason of their status as such; or

4. The **organization**.

SECTION III - EXCLUSIONS

The descriptions in the headings of these exclusions are solely for convenience and form no part of the terms and conditions of coverage.

A. Bodily Injury/Property Damage

We are not liable to pay, indemnify or defend any **claim** for actual or alleged:

1. Bodily injury, sickness, disease, or death of any person, mental anguish, or emotional distress; or

2. **Property damage**, including, but not limited to, physical injury, loss of or loss of use of currency or any negotiable or non-negotiable instruments or contracts representing money.

B. Conduct

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of any of the **insureds** or any person for whose actions the **insureds** are legally responsible:

1. Committing any deliberately fraudulent act or omission;

2. Committing any willful violation of any statute or regulation; or

3. Gaining any profit, remuneration or advantage to which they were not legally entitled;

if established by a final and non-appealable judgment or adjudication in any underlying action or proceeding adverse to the **insureds** as to such conduct.

With respect to determining the applicability of this exclusion, no conduct pertaining to any **insured person** shall be imputed to any other **insured person**; however, any conduct pertaining to any **executive** shall be imputed to the **organization** to determine if coverage is available.

C. Contract

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged liability of any **insureds** under the terms, conditions or warranties of any oral or written contract or agreement, except:

1. To the extent the liability would have attached to any such **insureds** in the absence thereof; or

2. With respect to **defense costs** only, any **claim** brought by or on behalf of any member of the **organization** which is based upon, arising from, or in consequence of any actual or alleged breach of the **organization's** covenants, conditions and restrictions or by-laws;

provided, however, that this exclusion shall not apply to **defense costs** with respect to any **claim** against any **insured persons**.

D. Cyber

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged:

1. Improper dissemination of personally identifiable information or protected health information;

2. Liability of any **insured** arising out of internet and electronic services which are performed for or on behalf of any client or customer of the **organization** through the transmission of electronic data to or from the **organization's** internet website or through a private computer network controlled by the **organization**; or

3. Liability of any **insured** for internet professional services the **organization** provides to others which may include, but are not limited to, application service provider, domain name registration services, electronic exchange and auction services, internet hosting services, internet media services, internet service provider service, managed and network security services, public key infrastructure services, search engine services, web portal services, website development, software development and internet access provider;

provided, however, that this exclusion shall not apply to any **claim** to which Insuring Agreement **A.** solely applies.

E. Employment Practices

We are not liable to pay, indemnify or defend any **claim** for an **employment related wrongful act**.

F. ERISA

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended or any rules, regulations or orders promulgated thereunder or any similar provisions of any federal, state or local statutory or common law in connection with any pension or welfare plan established for the benefit of **employees** of the **organization**.

G. Intellectual Property

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of any actual or alleged infringement of patent or misappropriation of trade secrets or other intellectual property rights; provided, however, that this exclusion shall not apply to any **publishers liability**. Furthermore, this exclusion shall not apply to any **claim** against any **insured persons**.

H. Organization vs. Insured

We are not liable to pay, indemnify or defend any **claim** brought or maintained by the **organization**; provided, however, that this exclusion does not apply to any **claim** brought or maintained as a derivative action on behalf of the **organization** by one or more persons who are not **insured persons** and who bring and maintain the **claim** without the solicitation, assistance or participation of any of the **insureds**.

I. Outside Service

We are not liable to pay, indemnify or defend any **claim** for any **wrongful act** in the discharge of the duties of any of the **insured persons** as a director, officer, trustee, employee, volunteer or member of any entity other than the **organization**, even if directed or requested to serve such other entity by the **organization;** provided, however, that this exclusion shall not apply to the extent:

1. Such **claim** is based on the service of an **insured person** in an **outside position**; and

2. The **loss** resulting from such **claim** is not indemnified by the **outside organization** or any of its insurers.

J. Third Party Discrimination or Sexual Harassment

We are not liable to pay, indemnify or defend any **claim** for any discrimination against or sexual harassment of any **third party**.

SECTION IV - SEVERABILITY OF EXCLUSIONS

With respect to determining the applicability of the above exclusions, no **wrongful act** or knowledge possessed by any one of the **insureds** shall be imputed to any other **insureds** to determine if coverage is available, unless indicated otherwise.

SECTION V - LIMIT OF INSURANCE AND DEDUCTIBLES

A. We will pay 100% of **loss** in excess of the applicable Deductible amount set forth in the Community Association Directors and Officers Liability Coverage Part Declarations up to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations, subject to the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations.

B. In the event a single **claim** is covered under more than one Insuring Agreement, the Deductibles set forth in the Community Association Directors and Officers Liability Coverage Part Declarations shall be applied separately to the part of the **loss** resulting from such **claim** covered by each Insuring Agreement and the sum of the Deductibles so applied shall constitute the Deductible for each single **claim**; provided, however, that the total Deductible as finally determined shall in no event exceed the largest of the applicable Deductibles. Notwithstanding the aforementioned, the Deductible applicable to Insuring Agreement **B.** shall apply to **loss** payable under any of the Insuring Agreements for which indemnification by the **organization** is legally permissible, whether or not actual indemnification is granted, unless the **organization** fails to indemnify any **insured person** due to the **financial impairment** of the **organization**. The Deductible shall be paid by the **organization**. Any **loss** paid by us within the Deductible shall be reimbursed by the **organization** within 30 days of our written request for such reimbursement.

C. **Defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations. **Defense costs** we pay shall reduce such Limits of Insurance. **Defense costs** paid by the **organization** shall be applied against the Deductible.

D. Our maximum aggregate liability for all **loss** resulting from all **claims** under this Coverage Part shall be the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations, subject to the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations.

E. If an Additional Defense Limit of Insurance is set forth in the Community Association Directors and Officers Liability Coverage Part Declarations, **defense costs** will apply first to and reduce the Additional Defense Limit of Insurance. The Additional Defense Limit of Insurance will be in addition to and not part of the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. The Additional Defense Limit of Liability is applicable to **defense costs** only. **Defense costs** paid by the **organization** shall be applied against the Deductible.

Upon exhaustion of the Additional Defense Limit of Insurance, **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. **Defense costs** we pay shall reduce the Limit of Insurance.

F. If an Excess Side A Limit of Insurance is set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and if the Limit of Insurance has been exhausted, we provide the **insured persons** with an excess limit of insurance under Insuring Agreement **A.** Such Excess Side A Limit of Insurance will not exceed the amount set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. The Excess Side A Limit of Insurance is in addition to and not part of the Limit of Insurance, and it applies solely to **loss** resulting from any **claim** against an **insured person** to which Insuring Agreement **A.** is applicable

G. It is agreed that:

1. If a **loss** from any **claim** is payable but such payment would exceed the remaining applicable Limit of Insurance as set forth in the Community Association Directors and Officers Liability Coverage Part Declarations, we will first pay the unpaid portion of such **loss** under Insuring Agreement **A.**; then to the extent that any amount of the applicable Limit of Insurance shall remain available, we will pay such **loss** to which Insuring Agreements **B.** and **C.** apply.

2. Upon written request of the president, chairperson or equivalent position of the **named insured**, we shall withhold payment of a covered **loss** under Insuring Agreements **B.** and **C.** until the president, chairperson or equivalent position of the **named insured** directs us to pay such covered **loss**. Such request shall not delay any payment under Insuring Agreement **A.**

SECTION VI - DEFENSE, INVESTIGATION AND SETTLEMENT

A. We will have the right and duty to select counsel and defend the **insureds** against any **claim**; however, we will have no duty to defend the **insureds** against any **claim** to which this insurance does not apply.

B. We may make any investigation we deem necessary and may, with the consent of the **insureds** named in connection with the **claim**, make any settlement of any **claim** we deem expedient. If the **insureds** withhold consent to such settlement, our liability for all **loss** in connection with such **claim** shall not exceed:

1. The amount of the proposed settlement plus **defense costs** incurred up to the date of the **insured's** refusal to consent to the proposed settlement; plus

2. 90% of any settlement or judgment in excess of the proposed settlement amount referenced in **B.1.** above plus 90% of any **defense costs** incurred after the date the **insureds** refused to consent to the proposed settlement, subject in all events to the applicable Limit of Insurance and Deductible for such **claim**. The remaining 10% of any settlement or judgment in excess of the proposed settlement amount referenced in **B.1.** above plus 10% of any **defense costs** incurred after the date the **insureds** refused to consent to the proposed settlement shall be borne by the **insureds**, uninsured and at their own risk.

C. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the defense or payment of damages, judgments or settlements of covered **claims**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FAILURE TO FUND RESERVES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION III – EXCLUSIONS is amended to include the following:

Failure to Fund Reserves

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, in consequence of, or any way involving any actual or alleged failure to estimate, plan, fund or maintain adequate reserves for maintenance or repairs as required in the **organization's** covenants, conditions and restrictions, by-laws or other governing documents or provisions of any federal, state or local statutory or common law.

All other provisions of this policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY MANAGER AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE PART

SECTION II – DEFINITIONS, **L.**, **4.** is deleted in its entirety and replaced with the following:

4. Any natural person who is a property manager or an employee of a property management company, but only for **claims** arising out of their **wrongful acts** while acting at the direction of the **named insured** or any **subsidiary** or arising out of the **wrongful acts** of the **insureds** for which the property management company's employees are vicariously liable.

All other provisions of the policy remain unchanged except as herein expressly modified.

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THE CINCINNATI INSURANCE COMPANIES

CAPITAL ENDORSEMENT™

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CAPITAL ENDORSEMENT™

CAPITAL SCHEDULE OF COVERAGE LIMITS

Coverages:	Limit of Insurance:	Deductible:
A. Additional Excess Side A	$250,000	$0
B. Business Travel Benefit	$50,000	$0
C. Conference Cancellation	$25,000	$0
D. Crisis Management Emergency Response	$50,000	$0
E. Death Benefit	$50,000	$0
F. Destroyed Records	$25,000	$0
G. Donation Security	$50,000	$0
H. Emergency Real Estate Consulting Fee	$50,000	$0
I. Emergency Travel Expense	$50,000	$0
J. Fundraising Event Cancellation Expense	$25,000	$0
K. Identity Theft Expense	$50,000	$0
L. Image Restoration and Counseling Expense	$50,000	$0
M. Immigration	$25,000	$0
N. Key Individual Replacement Expense	$50,000	$0
O. Kidnap Expense	$50,000	$0
P. Political Unrest Evacuation Expense	$10,000 per employee $50,000 policy limit	$0
Q. Temporary Meeting Space Expense	$50,000	$0
R. Travel Delay Expense	$2,500	$0
S. Unauthorized Business Card Use	$1,500	$500
T. Workplace Violence Counseling Expense	$50,000	$0

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAPITAL ENDORSEMENT™

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE

The insurance coverage and Limits of Insurance provided by this endorsement are excess of, and apply in addition to, any similar or identical coverage provided by any other endorsement attached to this Coverage Part, or by any other Coverage Part forming a part of the policy of insurance of which this Coverage Part forms a component.

For the purposes of this endorsement only, **COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE** or **NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE, SECTION II - DEFINITIONS** is amended to include the following:

A. Business-related conference expense means those expenses incurred by the **organization** for any employee(s) scheduled to attend a conference or convention provided that the employee(s) was (were) registered for the conference or convention at least 30 days prior to the conference's or convention's cancellation.

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

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

C. Communicable disease means any disease or any related or resulting diseases, viruses, complexes, symptoms, manifestations, effects, conditions or illnesses, except this endorsement does not apply to any loss directly or indirectly attributable to Anthrax, Avian Influenza, Crimean-Congo Hemorrhagic Fever, Dengue Hemorrhagic Fever, Ebola Hemorrhagic Fever, Francisella Tularensis, Influenza, Lassa Fever, Marburg Hemorrhagic Fever, Meningococcal disease, Plague, Rift Valley Fever, Severe Acute Respiratory Syndrome, Smallpox, Tularemia, Yellow Fever or any pandemic or similar influenza which is defined by the United States Center for Disease Control as virulent human influenza that may cause global outbreak, or pandemic, or serious illness.

D. Covered event means an actual or alleged act, attempt or threat of sexual misconduct or sexual molestation directed at one or more of the **organization's** clients while in the **organization's** care, custody and control, committed by the **organization**, any of the **organization's** partners, directors, officers, employees, independent contractors or volunteers.

E. Covered person means:

1. Any current director, officer or an equivalent position of the **organization**; or
2. The spouse, **domestic partner**, parent, or child of a current director, officer or an equivalent position of the **organization**.

F. Crisis means the public announcement that an incident occurred on your premises or at an event sponsored by you.

G. Crisis management emergency response expenses mean those expenses incurred for services provided by a crisis management firm. However, crisis management emergency response expenses shall not include compensation, fees, benefits, overhead, charges or expenses of any **insured** or any of your

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employees, nor shall crisis management emergency response expenses include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.

H. **Crisis management firm** means any service provider the **organization** hire that is acceptable to us. Our consent will not be unreasonably withheld.

I. **Emergency evacuation expense** means:

1. Additional lodging expenses;

2. Additional transportation costs;

3. The cost of obtaining replacement of lost or stolen travel documents necessary for evacuation from the area of **political unrest**; and

4. Translation services, message transmittals and other communication expenses provided that these expenses are not otherwise reimbursable.

J. **Emergency travel expense** means:

1. Hotel expense incurred, and not reimbursed by any other source, as the result of the cancellation of scheduled transportation by a commercial transportation carrier for regular passenger service by land, water, or air. The cancellation must occur within forty-eight hours of a **certified act of terrorism**; and

2. The increased amount incurred and not reimbursed by any other source for air or train fare resulting from cancelling and rescheduling a form of transportation to replace a similarly scheduled form of transportation canceled by a commercial transportation carrier.

K. **Failed donation** means notice to the **insured** during the **policy year** of:

1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a written pledge, made during the **policy year**, of funds or other measurable, tangible property to the **organization** provided that the donor has never been in bankruptcy or filed for bankruptcy/reorganization prior to the time the donor's pledge was made to the **organization**; or

2. The unemployment or **incapacitation** of an individual donor during the **policy year** preventing the donor from honoring a prior written pledge of funds or other measurable, tangible property to the **insured** provided that, if the donor is an individual who becomes unemployed or **incapacitated**:

a. Neither the **organization** nor the donor shall have had reason to believe the donor would become unemployed or **incapacitated** prior to the donation date;

b. The individual donor is unemployed or **incapacitated** for at least 60 days before payment is made by the Company; and

c. There is a written pledge of funds or other measurable, tangible property dated during the **policy year**.

L. **Identity theft** means the act of knowingly transferring or using, without lawful authority, a means of identification of any director, officer or an equivalent position (or spouse or **domestic partner** thereof) of the **organization** with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

M. **Identity theft expenses** mean:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;

2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and

3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

N. **Image restoration and counseling expense** means reasonable fees and expenses the **organization** necessarily incur after a **covered event** occurs for:

1. The services of a public relations or similar professional image restoration **organization** to assist or advise the **organization** in order to minimize negative publicity and restore or otherwise positively communicate the image of the **organization's** operations.

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2. Legal counseling and professional psychological counseling or other necessary professional mental health treatment for **insured persons** as a result of a **covered event**. These **image restoration and counseling expenses** are payable only if and when the accused is acquitted or is discharged from being accused of committing the **covered event**.

3. The recruitment of a replacement for an officer who has been relieved of their duties in the **organization's** operations as a result of the **covered event**.

O. **Incapacitated or incapacitation** means a person who is impaired by physical injury, physical illness, or physical disability. The cause of the physical injury, physical illness or physical disability must be accidental.

P. **Incident** means an accident or other event resulting in death or serious bodily injury to three or more persons. **Incident** shall also mean the accidental discharge of pollutants.

Q. **Injury** means:

1. Accidental loss of life caused by physical injury to the body;

2. Accidental loss of limbs or multiple fingers; or

3. Accidental total loss of sight, speech or hearing.

The **injury** outlined in Paragraphs **1.**, **2.**, and **3.** above must physically occur to the current director, officer or an equivalent position.

R. **Kidnap**, **kidnapped**, or **kidnapping** means the illegal taking and holding of a **covered person** by an individual who demands a **ransom**. The **ransom** must specifically be demanded from the **organization's** assets as a condition for the release of the **covered person**.

S. **Kidnap expense** means:

1. Fees and expenses of an independent negotiator the **organization** have hired with our prior approval;

2. Incurred interest of loans taken for the purpose of paying **ransom**, provided that the loan is repaid within seven days of the **insured** receiving reimbursement from us;

3. Travel and accommodation expenses incurred by any current director, officer or an equivalent position of the **organization**;

4. Reward paid by the **insured**, with our prior approval, to an informant for information which leads to the arrest and conviction of parties responsible for a **kidnapping**, provided that the offer of such reward is approved by the local law enforcement officials; and

5. Gross salary including bonuses and allowances paid by the **organization** to its **kidnapped** director, officer or an equivalent position which is contractually due at the time the **kidnapping** occurs. The salary will be paid for a period beginning on the date of the **kidnap** and will end upon the earlier of:

   a. Up to 30 days after the release of the director, officer or an equivalent position, if the director, officer or an equivalent position has not yet returned to work;

   b. The discovery of the death of the director, officer or an equivalent position;

   c. 120 days after we receive the last credible evidence following the **kidnapping** that the director, officer or an equivalent position is still alive;

   d. 12 months after the date of the **kidnapping**; or

   e. The exhaustion of the kidnap expense limit.

T. **Natural catastrophe** means hurricane, tornado, earthquake or flood.

U. **Political unrest** means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;

2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or

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3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff for which either an alert or travel warning has been issued by the United States Department of State.

V. Ransom means money or other consideration demanded or paid for the release of a **covered person.**

W. Replacement expense means:

1. Costs of advertising the employment position opening;
2. Travel, lodging, and meals incurred in interviewing job applicants for the position opening; and
3. Reasonable extra expenses incurred with our prior consent in finding, interviewing and negotiating with the job applicants including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up employment contracts.

X. Travel delay expense means the following travel-related expense for which the director, officer or an equivalent position of the **organization** produces a receipt:

1. Meals and lodging;
2. Alternative transportation;
3. Clothing and necessary toiletries; or
4. Emergency prescription and non-prescription drug expenses.

Y. Workplace violence means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily injury or death of any person while on the **insured's** premises.

Z. Unforeseeable Destruction means damage resulting from a **Certified Act of Terrorism**, fire, crash or collapse which renders all of the **insured's** primary office completely unusable.

For the purposes of this endorsement only, **COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE** or **NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE** is amended to include the following section:

COVERAGE EXTENSIONS

A. Additional Excess Side A

We will provide the **insured persons** with an excess limit of insurance under **COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE** or **NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE, SECTION I** - Insuring Agreement **A.** The limit provided under this coverage extension shall be excess of the Excess Side A Limit of Insurance (if purchased) and the Limit of Insurance as indicated on the Nonprofit Organization Directors and Officers Liability Coverage Part Declarations or Community Association Directors and Officers Liability Coverage Part Declarations. The limit of insurance applies solely to **loss** resulting from any **claim** against an **insured person** to which Insuring Agreement **A.** is applicable.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

B. Business Travel Benefit

1. We will pay the **organization** the business travel benefit if any current director, officer or an equivalent position while occupying, as a fare-paying passenger, a public conveyance provided and operated by a commercial transportation carrier for regular passenger service by land, water, or air suffers **injury** while traveling for purposes related to the business of the **organization** during the **policy year.**
2. We will not pay business travel benefit for **injury** caused directly or indirectly by any of the following:
   a. An intentional injury by the director, officer or an equivalent position or decedent;
   b. An act of suicide or attempted suicide by the director, officer or an equivalent position or decedent;
   c. An act of war; or

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d. A disease process the director, officer or an equivalent position or decedent was diagnosed with prior to the suffered **injury** for which coverage under this Coverage Extension is sought.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

C. Conference Cancellation

We will reimburse the **organization** for any **business-related conference expense** incurred and not reimbursed by any other source as the result of a cancellation of a conference or convention. The cancellation must be the direct result of an order made by a civil authority responding to a **natural catastrophe** or to a **communicable disease** outbreak during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

D. Crisis Management Emergency Response Expenses

1. We will reimburse the **organization** for reasonable **crisis management emergency response expenses** incurred because of an **incident** giving rise to a **crisis** to which this insurance applies.

2. We will reimburse only those reasonable **crisis management emergency response expenses** which are incurred during the **policy year** and reported to us within six months of the date the **crisis** was initiated.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

E. Death Benefit

We will reimburse the **organization** for the death of a current director, officer or an equivalent position resulting from a **certified act of terrorism** occurring during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

F. Destroyed Records

We will reimburse the **organization** for any reasonable and necessary expenses required to reconstruct paper or electronic business records of the **organization** that are lost or destroyed resulting from a **natural catastrophe** or a **Certified Act of Terrorism** occurring during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage Limits. No deductible applies to this coverage extension.

G. Donation Security

1. We will reimburse the **organization** for a **failed donation** incurred and not reimbursed by any other source.

2. For non-cash donations, the value of the **failed donation** will be determined based on the fair market value of the non-cash item at the time of the **failed donation**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

H. Emergency Real Estate Consulting Fee

We will reimburse the **organization** any realtor's fee or real estate consultant's fee necessitated by the need of the **organization** to relocate due to the **unforeseeable destruction** of the principal address of the **organization** listed on the Pillar Common Policy Declarations page during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

I. Emergency Travel Expense

We will reimburse the **organization** reasonable **emergency travel expense**, while traveling for purposes related to their business pursuits during the **policy year**, incurred by the current director, officer or an equivalent position and necessitated by a **certified act of terrorism** which:

1. Occurs during the **policy year**; or

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2. Begins to occur during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

J. Fundraising Event Cancellation Expense

We will reimburse the **organization** for fundraising event related expense incurred, and not reimbursed by any other source, due to the cancellation of a fundraising event. However:

1. The canceled fundraising event must not be rescheduled within the **policy year**; and
2. The fundraising event cancellation must be the direct result of an order made by a civil authority responding to a **natural catastrophe** or a **communicable disease** outbreak during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

K. Identity Theft Expense

We will reimburse any current director, officer or an equivalent position of the **organization** for **identity theft expenses** incurred as the direct result of any **identity theft** first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of this coverage extension or any similar coverage extension issued by us of which this coverage is a direct renewal.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

L. Image Restoration and Counseling Expense

We will pay the **organization** any **image restoration and counseling expense** resulting from a **covered event** that occurs during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

M. Immigration

We will reimburse the **organization** for any civil fines or penalties assessed against the **insured** for any non-willful violation of the United States Immigration and Nationality Act (INA) provided that such violation results from a notice of inspection, audit or investigation by a governmental agency commenced during the **policy year**. However, no coverage shall be granted to any **insured**:

1. against whom a final judgement has been made that such **insured** knowingly and willfully violated the INA or engaged in a pattern and practice of such violation as defined in INA; or
2. for any forfeiture of property or vehicles or any amount arising out of or related to any private right of action (Racketeer Influenced and Corrupt Organizations Act, injunctive or otherwise) under Title 8, USC, including any defense costs.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

N. Key Individual Replacement Expense

We will pay the reasonable **replacement expense** incurred, and not reimbursed by any other source, to replace the Chief Executive Officer or the Executive Director of the **organization** if the incumbent Chief Executive Officer or Executive Director of the **organization** is unable to continue due to death or permanent disability resulting from an **injury** that takes place during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

O. Kidnap Expense

We will pay the reasonable **kidnap expense** incurred by the **organization** or their current director, officer or an equivalent position as a result of the **kidnap** of a **covered person** that takes place during the **policy year**.

This coverage does not apply to any **kidnapping** by or at the direction of any past or present family member of the **covered person**.

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The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

P. Political Unrest Evacuation Expense

We will reimburse any current director, officer, employee or volunteer of the **organization** for **emergency evacuation expense** that is incurred as the direct result of **political unrest** outside of the United States of America, its territories and possessions, Puerto Rico or Canada. We will only pay **emergency evacuation expense** directly related to traveling for business pursuits and we will only pay **emergency evacuation expenses** not reimbursed by any other source. The **political unrest** must occur in the country where the current director, officer, employee or volunteer are traveling, and the **political unrest** must occur during the **policy year**.

No coverage is granted for travel to countries in a state of **political unrest** at the time of departure of the travel or countries under a United States Department of State trade or travel restriction at the time of incident of **political unrest**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

Q. Temporary Meeting Space Expense

We will reimburse the **organization** the meeting space rental expense incurred, and not reimbursed by any other source, due to the temporary unavailability of the primary meeting office space. The unavailability of the primary meeting space must be the result of direct loss to a climate control system or hot water heater during the **policy year**. However, Temporary Meeting Space Expense does not apply to the renting of a temporary meeting space solely for use by the **organization**, their employees, their officers or directors unless the temporary meeting space is also required for meeting with vendors, clients or customers outside the **organization**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

R. Travel Delay Expense

We will reimburse the current director, officer or an equivalent position of the **organization** any **travel delay expense** incurred, and not reimbursed by any other source, as a result of delay or cancellation of any regularly scheduled travel on a commercial transportation carrier. The regularly scheduled travel must be directly related to the business pursuits of the **organization** and the cause of the cancellation must occur during the **policy year**. However, we will only pay for **travel delay expense** first incurred seventy-two (72) hours after the cancellation occurred.

We will not pay for **travel delay expense** due to a **certified act of terrorism**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

S. Unauthorized Business Card Use

We will pay for the loss of money or charges and costs the **organization** incur that result directly from the unauthorized use of credit, debit or charge cards issued in the business name, including:

1. Fund transfer cards;
2. Charge plates; or
3. Telephone cards.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. A $500 deductible applies to this coverage extension. We will not pay for a loss in any one occurrence until the amount of the loss exceeds the deductible. We will then pay the amount of the loss in excess of the deductible, up to the Limit of Insurance.

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T. Workplace Violence Counseling Expense

We will reimburse the **organization** for emotional counseling expense incurred and not reimbursed by any other source resulting from a **workplace violence** incident at the premises of the **organization** during the **policy year**. The emotional counseling expenses incurred must have been for:

1. The employees of the **organization** who were victims of or witnesses to the **workplace violence**;
2. The spouse, **domestic partner,** parents or children of the employees of the **organization** who were victims of, or witnesses to the **workplace violence**; and
3. Any other person or persons who directly witnessed the **workplace violence** incident.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED CONTRACT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION III – EXCLUSIONS, C. is deleted in its entirety and replaced by the following:

C. Contract

We are not liable to pay or indemnify any **claim** for any actual or alleged liability of any **insureds** under the terms, conditions or warranties of any oral or written contract or agreement, except:

1. To the extent the liability would have attached to any such **insureds** in the absence thereof; or

2. Any **claim** brought by or on behalf of any member of the **organization**, which is based upon, arising from, or in consequence of any actual or alleged breach of the **organization's** covenants, conditions and restrictions or by-laws;

provided, however, that this exclusion shall not apply to **defense costs** with respect to any **claim**.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED CYBER EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION III – EXCLUSIONS, D. is deleted in its entirety and replaced with the following:

D. Cyber

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged:

1. Improper dissemination of personally identifiable information or protected health information or any violation of European Union General Data Protection Regulation, the California Consumer Privacy Act or any rules, regulations or orders promulgated thereunder or any similar provisions of any federal, state or local statutory or common law;

2. Liability of any **insured** for the transmission of malicious code or unauthorized access to any computer system; or use of the **organization's** computer system in a denial of service attack against a third party's computer system; or a denial of authorized electronic access to any computer system; or the disclosure or misappropriation of information that is subject to any form of confidentiality agreement or confidentiality provision in a contract or agreement between a third party and any **insured** or which the **insured** is legally required to maintain in confidence;

3. Liability of any **insured** for a failure to maintain adequate security controls to prevent a data breach or infiltration of the **insured's** computer system, including but not limited to ransomware and extortion;

4. Liability of any **insured** arising out of internet and electronic services which are performed for or on behalf of any client or customer of the **organization** through the transmission of electronic data to or from the **organization's** internet website or through a private computer network controlled by the **organization**;

5. Liability of any **insured** for internet professional services the **organization** provides to others which may include, but are not limited to, application service provider, domain name registration services, electronic exchange and auction services, internet hosting services, internet media services, internet service provider service, managed and network security services, public key infrastructure services, search engine services, web portal services, website development, software development and internet access provider; or

6. Liability of any **insured** for an intentional transfer of money, securities, goods, services or sensitive information to an unintended third party;

provided, however, that this exclusion shall not apply to any **claim** to which Insuring Agreement **A.** solely applies.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIOLATION OF BIOMETRIC INFORMATION PRIVACY LAWS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

A. SECTION II - DEFINITIONS is amended to include the following:

1. Biometric information means any:

a. Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmprint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication; or

b. Information, regardless of how it is captured, converted, stored or shared, based on an individual's biological measurement or physical characteristic.

2. Biometric privacy law means the parts of any law, ordinance, regulation or rule that governs or relates to the collection, storage, disclosure, retention, destruction, protection, analysis, processing, use, sale, sharing, lease or trade of **biometric information**.

B. SECTION III - EXCLUSIONS is amended to include the following:

We are not liable to pay, indemnify or defend any **claim** based upon, attributable to or arising out of any actual or alleged violation of a **biometric privacy law.**

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONSTRUCTION DEFECT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

A. SECTION II – DEFINITIONS is amended to add the following:

Construction defect means any actual or alleged defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:

1. Faulty or incorrect design or architectural plans;

2. Improper soil testing;

3. Inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot;

4. The construction, manufacture or assembly of any tangible property;

5. The failure to provide construction related goods or services as represented or to pay for such goods or services;

6. Any violation of any building codes in effect at the time of construction; or

7. The supervision or management of any construction-related activities including but not limited those described in **1.** through **6.** above.

B. SECTION III – EXCLUSIONS is amended to add the following:

Construction Defect

We are not liable to pay, indemnify or defend any **claim** where all or part of such **claim** is based upon, arising out of, in consequence of, or in any way involving any damage to, destruction of, deterioration of, loss of, or loss of use of any tangible property including any **construction defect.**

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTRADITION COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

A. **SECTION II - DEFINITIONS**, **A. Claim** is amended to include the following:

An official request for **extradition**, but any **claim** for **extradition** shall be limited to the payment of **extradition costs** only.

B. **SECTION II - DEFINITIONS** is amended to include the following:

1. **Extradition** means any formal process by which an **insured person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation, or the execution of a warrant for the arrest of an **insured person** where such execution is an element of **extradition**.

2. **Extradition costs** means reasonable and necessary fees and expenses directly resulting from a **claim** in which an **insured person** lawfully opposes, challenges, resists or defends against any request for the extradition of such **insured person** from his or her current country of employ and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such **insured person**.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTSIDE ORGANIZATION AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION II - DEFINITIONS, Q. is deleted in its entirety and replaced with the following:

Q. Outside organization means any nonprofit corporation or organization other than the **organization**, which is described in Section 501(c)(2), (3), (4), (6), (7), (8), (10), (19), or 501(d) of the Internal Revenue Code of 1986, as amended, and is exempt from federal income taxation or any organization shown in the Schedule below:

SCHEDULE

NFP ORGANIZATION

All other provisions of the policy remain unchanged except as herein expressly modified.

The Cincinnati Insurance Company

A Stock Insurance Company

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART DECLARATIONS

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

Policy Number: **EMO 072 52 83**

Named Insured is the same as it appears in the Common Policy Declarations unless another entry is made here.

Limit of Insurance:	$ 1,000,000	in the aggregate
Optional Third Party Liability Sublimit	$ 1,000,000	in the aggregate
Wage and Hour Defense Sublimit	$ 100,000	in the aggregate
Immigration Defense Sublimit	$ 100,000	in the aggregate
Additional Defense Limit of Insurance:	$ UNLIMITED	in the aggregate

Deductibles:	$ 2,500	each **claim** under Insuring Agreement **A** (Employment Practices)
	$ 2,500	each **claim** under Insuring Agreement **B** (Third Party)

Retroactive Date:	N/A
Prior or Pending Date:	08-15-2019
Continuity Date:	08-15-2019

Forms and endorsements applicable to this coverage part:

ML112	01/18	EMPLOYMENT PRACTICES LIABILITY COVERAGE
IA450WY	11/87	INCLUDE PROPERTY MANAGER AS INSURED
ML361	09/23	BIOMETRIC INFORMATION PRIVACY EXCLUSION
ML4224	01/21	EMPLOYEE PRIVACY VIOLATION ENDORSEMENT

EMPLOYMENT PRACTICES LIABILITY COVERAGE

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EMPLOYMENT PRACTICES LIABILITY COVERAGE

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

SECTION I - INSURING AGREEMENTS

A. We will pay on behalf of the **insureds** all **loss** which they shall be legally obligated to pay resulting from any **employment claim** or **immigration claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, for an **employment wrongful act** or **immigration wrongful act**.

B. If Optional Third Party Liability is purchased as set forth in the Employment Practices Liability Coverage Part Declarations, we will pay on behalf of the **insureds** all **loss** which they shall be legally obligated to pay resulting from any **third party claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, for a **third party wrongful act**.

We will have the right and duty to select counsel and defend the **insureds** against any such **claim**.

SECTION II - DEFINITIONS

Where set forth in bold type in this Coverage Part, whether in singular or in plural, the following terms shall have the meanings indicated.

A. **Benefits** means perquisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, other than salary, wages or commissions to or for the benefit of an **employee** arising out of the employment relationship.

B. **Claim** means an **employment claim,** an **immigration claim** or a **third party claim**.

C. **Defense costs** means reasonable and necessary fees, costs, and expenses incurred by us or with our consent on behalf of the **insureds** or reimbursed to any of the **insureds** by us, resulting solely from the investigation, adjustment, defense and appeal of any **claim**. **Defense costs** includes, but is not limited to, the cost of expert consultants and witnesses, and premiums for appeal, injunction, attachment or supersedeas bonds (but not the obligation to furnish such bonds).

Defense costs shall not include:

1. Salaries, wages, fees, overhead or expenses of our employees or any **insureds**, directors, officers, trustees or employees, other than that portion of our employed attorneys' fees, salaries and expenses allocated to a specific **claim**;

2. Any amount covered by the duty to defend obligation of any other insurer; or

3. Any pre-tender fees, costs or expenses.

D. **Employee** includes, but is not limited to, full-time, part-time, seasonal, volunteer, contingent or leased workers as determined by the federal, state or local law. **Employee** does not include independent contractors as determined by federal, state or local law.

E. **Employment claim** means:

1. A written demand for monetary damages or non-monetary relief;

2. A civil proceeding commenced by the filing of a complaint or similar pleading;

3. A formal administrative or regulatory proceeding commenced by the filing of a complaint, charge, formal investigative order or similar document;

4. An arbitration, mediation or similar alternative dispute resolution proceeding (other than a labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement) if the **insured** is required or agrees to participate in such proceeding with our written consent;

5. In the context of an audit conducted by the Office of Federal Contract Compliance Programs, a Notice of Violation or Order to Show Cause or written demand for monetary or non-monetary relief, commenced by the receipt by an **insured** of such Notice, Order or written demand; or

6. A written request to toll or waive a statute of limitations relating to a potential **employment claim** described in Definitions **E.1.** through **E.5.** above;

which is brought by or on behalf of any past, present or prospective **employee(s)** of the **organization** against any of the **insureds**, including any appeal therefrom.

F. Employment wrongful act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed for:

1. Wrongful discharge, dismissal or termination of employment, including constructive discharge;

2. Breach of any oral, written or implied employment contract or quasi-employment contract other than any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement;

3. Employment related misrepresentation;

4. Violation of any federal, state or local law that concerns employment discrimination:

   a. Including:

      1. Sexual harassment involving unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature; or

      2. Workplace bullying or workplace harassment of a non-sexual nature;

   b. That:

      1. Are made a condition of employment;

      2. Are used as a basis for employment decisions; or

      3. Create a work environment that is intimidating, offensive, hostile or interferes with performance;

5. Wrongful failure to employ or promote;

6. Wrongful demotion;

7. Wrongful discipline;

8. Wrongful deprivation of a career opportunity;

9. Negligent hiring, supervision, promotion or retention;

10. Negligent evaluation;

11. Employment related **personal injury**;

12. Wrongful failure to grant tenure;

13. Employment related wrongful infliction of emotional distress;

14. Violation of the Family Medical Leave Act;

15. Wrongful **retaliation**;

16. Wrongful denial of training, denial or deprivation of seniority or evaluation;

17. Failure to adopt, create, provide or enforce adequate workplace or employment practices and procedures; or

18. Wrongful handling of any background check which is issued or expected to be used or collected in whole or in part for the purpose of serving as a factor in any employment related activities, including but not limited to any violation of the Fair Credit Reporting Act;

including any actual or alleged assault, battery, or loss of consortium in connection with Subparagraphs **1.** through **18.** above.

G. Executive means any natural person who was, now is or shall become the chairperson, president, chief executive officer, chief financial officer, executive director, in-house general counsel or person of equivalent position to any of the foregoing of the **organization**.

H. **Immigration claim** means any criminal investigation of any **insured** by any governmental agency for any actual or alleged hiring of illegal aliens.

I. **Immigration wrongful act** means any actual or alleged violation of the Immigration Reform and Control Act of 1986 or any amendments to or rules, regulations or orders promulgated pursuant to it, or similar provisions of any federal, state, or local statutory or common law.

J. **Insured** means the **organization** and the **insured persons**.

K. **Insured persons** means:

1. All natural persons who were, now are, or shall become an officer or a duly elected or appointed member of the board of directors, trustees, regents, managers, governors, a **LLC manager** or an equivalent position of the **organization**;

2. All natural persons who were, now are, or shall become an **employee** or committee member, whether or not they were, are or shall be compensated, of the **organization**;

3. All natural persons who were, now are, or shall become members or volunteers of the **organization**, if the **organization** is nonprofit in nature, while acting on behalf of the **organization** in a voluntary capacity at the direction of the board of directors, trustees, regents, managers, governors, or an equivalent position; and

4. Any natural person who is an independent contractor as determined by federal, state or local law, but only while acting in the capacity as such for the **organization** pursuant to an express written agreement between the independent contractor, or any entity on behalf of the independent contractor, and the **organization** and only if the **organization** agrees in writing to provide indemnification to such independent contractor; provided, however, that any coverage under this Coverage Part for any such independent contractor shall be excess of any indemnification or insurance otherwise available to such independent contractor from any other source;

but only for acts with respect to their duties for or service to the **organization**.

L. **LLC manager** means any natural person who was, now is or shall become a manager, member of the board of managers or member of the **organization** that is a limited liability company but only with respect to the conduct of the limited liability company's business. However, any member of a limited liability company who is a passive investor not involved in the operations of the limited liability company is not a **LLC manager.**

M. **Loss** means **defense costs** and the total amount of monetary damages which the **insured** becomes legally obligated to pay on account of any **claim** for a **wrongful act** with respect to which coverage hereunder applies, including damages (including back pay and front pay), judgments, settlements, prejudgment and postjudgment interest, and punitive or exemplary damages or the multiplied portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiplied damages.

Loss shall not include any amount for which an **insured** is not financially liable, compensation earned in the course of employment but not paid by an **insured** or matters which are deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.

Loss shall not include, (other than **defense costs**):

1. **Benefits** or the equivalent value, however, this provision does not apply to **loss** resulting solely from wrongful termination of employment;

2. Amounts, which arise out of, are based upon, or are attributable to the employment reinstatement of the claimant by an **insured** or the continued employment of the claimant;

3. Future compensation, including salary or **benefits** for an **employee**, if the **insured** is ordered in accordance with a judgment or other final adjudication but fails to reinstate the claimant as an **employee**;

4. That part of any express contract of employment or an express obligation to make payments in the event of the termination of employment;

5. Salary, wages, commissions, **benefits** or other monetary payments which constitute severance payments or payments pursuant to a notice period;

6. Civil or criminal fines or penalties imposed by law, liquidated damages (other than liquidated damages awarded under the Age Discrimination in Employment Act or the Equal Pay Act), payroll or other taxes, or damages, penalties or types of relief deemed uninsurable under applicable law;

7. Future compensation, including salary or **benefits** for an **employee** who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a **claim**; or

8. Medical, pension, disability, life insurance, stock option or other **employee** type **benefit**.

N. **Organization** means the **named insured** and any **subsidiary**.

O. **Personal injury** means injury, other than bodily injury, arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;

2. Oral or written publication of material that libels, slanders or defames a past, present or prospective **employee**;

3. Invasion of a past, present or prospective **employee's** right of privacy;

4. Malicious prosecution; or

5. Abuse of process.

P. **Property damage** means:

1. Injury or damage, of any nature, to tangible or intangible property, including all resulting loss of use of that property; or

2. Loss of or loss of use of tangible or intangible property that is not otherwise injured or damaged.

Q. **Retaliation** means any actual or alleged wrongful termination of employment or other adverse employment action against a claimant with respect to any person's exercise or attempted exercise of rights protected by law, refusal to violate any law, disclosure or threat of disclosure to a superior or to any governmental agency actual or alleged violations of the law, or having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law.

R. **Third party** means any natural person who is not an **employee** of the **organization**.

S. **Third party claim** means:

1. A written demand for monetary damages or non-monetary relief;

2. A civil proceeding commenced by the filing of a complaint or similar pleading;

3. A formal administrative or regulatory proceeding commenced by the filing of a complaint, charge, formal investigative order or similar document;

4. An arbitration, mediation or similar alternative dispute resolution proceeding (other than a labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement) if the **insured** is required or agrees to participate in such proceeding with our written consent; or

5. A written request to toll or waive a statute of limitations relating to a potential **third party claim** described in Definitions **S.1.** through **S.4.** above;

which is brought by or on behalf of any **third party** against any of the **insureds**, including any appeal therefrom.

T. **Third party wrongful act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed, attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set forth in the Employment Practices Liability Coverage Part Declarations and prior to the end of the **policy period** by an **insured** or any person for whose acts the **insured** is legally liable for:

1. Discrimination by any **insured** against a **third party** in violation of any applicable federal, state or local statute, ordinance or common law;

2. Sexual or other harassment by any **insured**, including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature against a **third party** which violates the civil rights of the **third party**; or

3. **Wrongful eviction** when arising out of discrimination or harassment by any **insured** against a **third party** in violation of any applicable federal, state or local statute, ordinance or common law.

U. **Wrongful act** means an **employment wrongful act**, an **immigration wrongful act** or a **third party wrongful act** attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set

forth in the Employment Practices Liability Coverage Part Declarations and prior to the end of the **policy period** by an **insured** or any person for whose acts the **organization** is legally liable.

V. **Wrongful eviction** means the act of dispossessing or attempting to dispossess a **third party** of real property to which such **third party** claims a right to occupy, and such real property is owned, operated or controlled by the **organization**.

SECTION III - EXCLUSIONS

The descriptions in the headings of these exclusions are solely for convenience and form no part of the terms and conditions of coverage.

A. Exclusions applicable to **loss** other than **defense costs**:

1. Americans With Disabilities Act

This insurance does not apply to **loss** incurred by the **insured** in making physical changes, modifications, alterations, or improvements as part of an accommodation pursuant to the Americans With Disabilities Act or similar provisions of any federal, state or local statutory or common law; provided, however, that this exclusion does not apply to **defense costs**.

2. Wage and Hour (with Defense Sublimit)

This insurance does not apply to any **claim** based upon, arising out of or in consequence of the Fair Labor Standards Act (except the Equal Pay Act) or any amendments to or rules, regulations or orders promulgated pursuant to it, or similar provisions of any federal, state, or local statutory or common law; except we shall reimburse the **insureds** for up to a maximum payment of the Wage and Hour Defense Sublimit set forth in the Employment Practices Liability Coverage Part Declarations in **defense costs** that exceed the Deductible amount as set forth in the Employment Practices Liability Coverage Part Declarations. Any payment of **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations and such payment reduces the Limit of Insurance. However, this exclusion shall not apply to an **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation of the Fair Labor Standards Act by any **insured**.

3. Immigration (with Defense Sublimit)

This insurance does not apply to any **immigration claim** except we shall reimburse the **insureds** for up to a maximum payment of the Immigration Claim Defense Sublimit set forth in the Employment Practices Liability Coverage Part Declarations in **defense costs** that exceed the Deductible amount as set forth in the Employment Practices Liability Coverage Part Declarations. Any payment of **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations and such payment reduces the Limit of Insurance. However, this exclusion shall not apply to an **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation of the Immigration Reform and Control Act of 1986 by any **insured**.

B. Exclusions applicable to all **loss**:

1. Bodily Injury/Property Damage

We are not liable to pay, indemnify or defend any **claim** for actual or alleged:

a. Bodily injury, sickness, disease, or death of any person; or

b. **Property damage**, including, but not limited to, physical injury, loss of or loss of use of currency or any negotiable or non-negotiable instruments or contracts representing money.

2. COBRA, ERISA, NLRA, OSHA and WARN (with Retaliation Carve Back)

This insurance does not apply to any **claim** based upon, arising out of or in consequence of the:

a. Consolidated Omnibus Budget Reconciliation Act of 1985;

b. Employee Retirement Income Security Act of 1974 (except Section 510 thereof);

c. National Labor Relations Act (including the Labor Management Relations Act of 1947);

d. Occupational Safety and Health Act;

e. Worker Adjustment and Retraining Notification Act; or

any amendments to or rules, regulations or orders promulgated pursuant to these laws, or similar provisions of any federal, state, or local statutory or common law. However, this exclusion shall not apply to any **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation of the acts described in **B.2.a.** through **B.2.e.** above by any **insured**.

3. Contractual (Other than Employment Contract)

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of or in consequence of any actual or alleged liability of any **insureds** under the terms, conditions or warranties of any oral or written contract or agreement, except:

a. To the extent the liability would have attached to any such **insureds** in the absence thereof; or

b. With respect to any **claim** for breach of an employment contract.

4. Labor Relations

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of or in consequence of any actual or alleged:

a. Labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement; or

b. **Wrongful act** committed, attempted, or allegedly committed or attempted concurrent with or after a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations.

5. Workers' Compensation, Unemployment, Social Security and Disability (with Retaliation Carve Back)

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of or in consequence of any actual or alleged obligation of any **insured** under any workers' compensation, unemployment insurance, social security, disability benefits or similar law, or derivative actions arising out of any of these. However, this exclusion shall not apply to any **employment claim** for retaliatory treatment by an **insured** due to the exercise of rights granted under any such law.

SECTION IV - SEVERABILITY OF EXCLUSIONS

With respect to determining the applicability of the above exclusions, no **wrongful act** or knowledge possessed by any one of the **insureds** shall be imputed to any other **insureds** to determine if coverage is available, unless indicated otherwise.

SECTION V - LIMIT OF INSURANCE AND DEDUCTIBLE

A. The Limits of Insurance shown in the Employment Practices Liability Coverage Part Declarations and the rules below fix the most we will pay regardless of the number of:

1. **Insureds** under this Coverage Part;

2. **Claims** made or suits brought on account of **wrongful acts** or otherwise; or

3. Persons or organizations making **claims** or bringing suits.

B. Our liability shall apply only to that part of each covered **loss** which is excess of the Deductible amount specified in the Employment Practices Liability Coverage Part Declarations and such Deductible amount shall be borne by the **insureds**.

C. **Defense costs** incurred by us or by the **insured** with our written consent are part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations and the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations. **Defense costs** we pay shall reduce such Limits of Insurance. **Defense costs** paid by the **insureds** shall be applied against the Deductible.

D. Our maximum aggregate liability for all **loss** resulting from all **claims** under this Coverage Part shall be the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations, subject to the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations.

E. If an Additional Defense Limit of Insurance is set forth in the Employment Practices Liability Coverage Part Declarations, **defense costs** will apply first to and reduce the Additional Defense Limit of Insurance. The Additional Defense Limit of Insurance will be in addition to, and not part of the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations. The Additional Defense Limit of Liability is applicable to **defense costs** only. **Defense costs** paid by the **insureds** shall be applied against the Deductible.

Upon exhaustion of the Additional Defense Limit of Insurance, **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations. **Defense costs** we pay shall reduce the Limit of Insurance.

SECTION VI - DEFENSE, INVESTIGATION AND SETTLEMENT

A. We will have the right and duty to select counsel and defend the **insureds** against any **claim**; however, we will have no duty to defend the **insureds** against any **claim** to which this insurance does not apply.

B. We may make any investigation we deem necessary and may, with the consent of the **insureds** named in connection with the **claim**, make any settlement of any **claim** we deem expedient. If the **insureds** withhold consent to such settlement, our liability for all **loss** in connection with such **claim** shall not exceed:

1. The amount of the proposed settlement plus **defense costs** incurred up to the date of the **insured's** refusal to consent to the proposed settlement; plus

2. 90% of any settlement or judgment in excess of the proposed settlement amount referenced in **B.1.** above plus 90% of any **defense costs** incurred after the date the **insureds** refused to consent to the proposed settlement, subject in all events to the applicable Limit of Insurance and Deductible for such **claim**. The remaining 10% of any settlement or judgment in excess of the proposed settlement amount referenced in **B.1.** above plus 10% of any **defense costs** incurred after the date the **insureds** refused to consent to the proposed settlement shall be borne by the **insureds**, uninsured and at their own risk.

C. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the defense or payment of damages, judgments or settlements of covered **claims**.

SECTION VII - SUPPLEMENTARY PAYMENTS

We will pay with respect to any **claim** we defend:

A. The cost of any appeal bond, attachment bond, or any similar bond, but only for bond amounts within the applicable Limit of Insurance; provided, however, that we do not have to apply for or furnish these bonds; and

B. All reasonable expenses incurred by the **insured** at our request to assist us in the investigation or defense of the **claim**, including actual loss of earnings up to $250 a day because of time off from work.

These payments will not reduce the Limits of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE PROPERTY MANAGER AS INSURED

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. SECTION II - DEFINITIONS, K. insured person is amended to add the following:

Insured persons also means any natural person who is a property manager or an employee of a property management company, but only for **claims** arising out of their **wrongful acts** while acting at the direction of the **named insured** or any **subsidiary** or arising out of the **wrongful acts** of the **insureds** for which the property management company's employees are vicariously liable.

B. SECTION II - DEFINITIONS, N. is deleted in its entirety and replaced by the following:

N. Organization means:

1. The **named insured**;
2. Any **subsidiary**; and
3. A property management company, but only for claims arising out of its **wrongful acts** while acting at the direction of the **named insured** or any **subsidiary** or arising out of the **wrongful acts** of the **insureds** for which the property management company is vicariously liable.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIOLATION OF BIOMETRIC INFORMATION PRIVACY LAWS EXCLUSION

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. SECTION II - DEFINITIONS is amended to include the following:

1. Biometric information means any:

a. Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmprint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication; or

b. Information, regardless of how it is captured, converted, stored or shared, based on an individual's biological measurement or physical characteristic.

2. Biometric privacy law means the parts of any law, ordinance, regulation or rule that governs or relates to the collection, storage, disclosure, retention, destruction, protection, analysis, processing, use, sale, sharing, lease or trade of **biometric information**.

B. SECTION III - EXCLUSIONS, B. is amended to include the following:

We are not liable to pay, indemnify or defend any **claim** based upon, attributable to or arising out of any actual or alleged violation of a **biometric privacy law.** However, this exclusion shall not apply to an **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation regarding a violation of a **biometric privacy law** by any **insured**.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE PRIVACY VIOLATION ENDORSEMENT (DEFENSE COSTS ONLY WITH SUBLIMIT)

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. SECTION II - DEFINITIONS, F. is amended to include the following:

Employment wrongful act shall also mean any actual or alleged **employee privacy violation** committed, attempted, or allegedly committed or attempted by an **insured** while acting in the capacity as such.

B. SECTION II - DEFINITIONS is amended to add the following:

Employee privacy violation means an **insured's** failure to:

1. Secure an employee's **record** from actual or potential unauthorized access by another person or entity which results in injury to such **employee**; or

2. Provide notice as required by any state, federal or local statutory law or common law to an **employee** whose **record** was accessed or may have been accessed by an unauthorized person.

Record means an **employee's** first name or first initial, and last name, in combination with:

1. Their social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);

2. Their financial account number (including a bank account number, retirement account number, or healthcare spending account number);

3. Their credit, debit or other payment card number; or

4. Any personally identifiable health information, pursuant to the Health Insurance Portability and Accountability Act of 1996, held by the **organization**,

when any such information in **1.** through **4.** above is intended by the **organization** to be accessible only by persons or entities specifically authorized by the **organization** to have access to such information.

C. SECTION III - EXCLUSIONS is amended to include the following:

This insurance does not apply to any **claim** based upon, arising out of or in consequence of an **employee privacy violation**; except we shall reimburse the **insured** for up to a maximum payment of $250,000 for **defense costs** that exceed the Deductible amount as set forth in the Employment Practices Liability Coverage Part Declarations. Any payment of **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations and such payment reduces the Limit of Insurance. However, this exclusion shall not apply to an **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged **employee privacy violation** by any **insured**.

All other provisions of the policy remain unchanged except as herein expressly modified.