General Liability Coverage
Employee Benefits Liability Coverage
School Leaders Liability Coverage

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

Throughout this Coverage Agreement the words "you"' and "your" refer to the **Named Member** shown in the Declarations and any other person or organization qualifying as a **Named Member** under this Coverage Agreement. The words "we", "us" and "our" refer to the South Carolina School Boards Insurance Trust providing this coverage.

Other words and phrases that appear in bold have special meaning as defined throughout this Coverage Agreement.

Section I - Coverages

Coverage A - Bodily Injury and Property Damage Liability

1. **Coverage Agreement**

a. We will pay those sums that the **Named Member** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** on account of an **occurrence** to which this Coverage Part applies. We will have the right and duty to defend any **suit** seeking those damages. However, we will have no duty to defend the member against any **suit** seeking damages for **bodily injury** or **property damage** to which this coverage does not apply. We may at our discretion investigate any **occurrence** and settle any **claim** or **suit** that may result. But:

(1) The amount we will pay for damages is limited as described in Section IV of this coverage agreement entitled **Limits of Liability;** and

(2) Our right and duty to defend ends when they have used up the applicable limit of liability in the payment of judgments or settlements under Coverages A or B or C and/or D and/or E.

No other obligations or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

As a condition precedent to us providing coverage, the Member agrees that the Member's appointed or personal defense counsel, upon request made by us, shall make a motion to the trial court to submit a special verdict form and/or special interrogatories to the jury to determine upon what causes of action or upon what claims for damages a jury's verdict is returned or any other reasonable factual inquiry for the jury as may be determined by us.

b. This Coverage Part applies to **bodily injury** and **property damage** only if:

(1) The **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory** during the Coverage Agreement period.

(2) The **bodily injury** or **property damage** occurs during the Agreement

Period.

c. Damages because of **bodily injury** include damages claimed by any person or organization for care, **loss** of services, or death resulting at any time from the **bodily injury**.

2. **Exclusions**

In addition to the exclusions set forth in **Section II – General Exclusions**, Coverage A of this Coverage Agreement does not apply, and our duties to indemnify and defend do not extend, to any of the following:

a. **Employers' Liability**

Bodily Injury to:
(1) An **employee** of the Member arising out of and in the course of:
  (a) Employment by the Member; or
  (b) Performing duties related to the conduct of the Member's business.
(2) The spouse, child, parent, brother, or sister of that **employee** as a consequence of paragraph (1) above.

This exclusion applies:
(1) Whether the Member may be liable as an employer or in any other capacity; and
(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

b. **Damage to Property**

Property damage to:
(1) Property owned, rented, or occupied by any Member;
(2) Premises any Member sells, gives away or abandons, if the **property damage** arises out of any part of those premises;
(3) Property loaned to the Member;
(4) Personal property in the care, custody, or control of the Member;
(5) That particular part of real property on which the Member or any contractors or subcontractors working directly or indirectly on the Member's behalf are performing operations, if the **property damage** arises out of those operations; or
(6) That particular part of any property that must be restored, repaired, or replaced because "the Member's work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are **your work** and was never occupied, rented, or held for rental by the Member.
Paragraphs (3), (4), (5), and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.
Paragraph (6) of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

c. **Damage to your work**

Property damage to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if a subcontractor performed the damaged work or the work out of which the damage arises for the Member.

d. **Damage to Impaired Property or Property Not Physically Injured**

Property damage to **impaired property** or property that has not been physically injured, or destroyed, arising out of:

(1) A defect, deficiency, inadequacy, or dangerous condition in **your product** or **your work**; or

(2) A delay or failure by any Member or anyone acting on the Member's behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the **loss** of use of other property arising out of sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

e. **Wrongful Termination**

Bodily Injury or **Property Damage** or **Employee** Benefits Injury arising out of any actual or alleged:

(1) Refusal to employ, or

(2) Termination of Employment, or

(3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or any other employment-related acts, omissions, or policies.

This exclusion applies whether the Member may be held liable as an employer or in any other capacity. In addition, this exclusion applies to any obligation to share damages because of any of the actions described in (1) through (3) above.

f. **Americans With Disabilities Act (ADA)**

Bodily Injury or **Property Damage** arising out of any actual or alleged violation of the American with Disabilities Act (ADA), or Section 503 and 504 of the Rehabilitation Act of 1973.

g. **Sexual Abuse**

Bodily Injury or any injury whatsoever, arising out of, or in any way connected with or related to, any act or the participation in any act of criminal sexual conduct, sexual misconduct, sexual harassment, sexual exploitation, sexual injury, sexual molestation or sexual abuse, physical or mental, of any person or persons by any member**.**

Exclusions a. through d. do not apply to damage by fire, water, lightning or explosion to premises while rented to a Member or temporarily occupied by a Member with permission of the owner. A separate limit of coverage applies to this coverage as described in Section IV of this coverage agreement entitled **Limits of Liability**.

Coverage B – Personal and Advertising Injury Liability

1. **Coverage Agreement.**

a. We will pay those sums that the Member becomes legally obligated to pay as damages because of **personal injury** or **advertising injury** to which this coverage applies. We will have the right and duty to defend the member against any **suit** seeking those damages. However, we will have no duty to defend the member against any **suit** seeking damages for **personal** and **advertising injury** to which this coverage does not apply. We may at our discretion investigate any **occurrence** or offense and settle any claim or **suit** that may result. But:

(1) The amount we will pay for damages is limited as described in Section IV of this coverage agreement entitled **Limits of Liability; and**

(2) Our right and duty to defend ends when we have used up the applicable limit of liability in the payment of judgments or settlements under Coverage B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

As a condition precedent to us providing coverage, the Member agrees that the Member's appointed or personal defense counsel, upon request made by us, shall make a motion to the trial court to submit a special verdict from and/or special interrogatories to the jury to determine upon what causes of action or upon what claims for damages a jury's verdict is returned or any other reasonable factual inquiry for the jury as may be determined by us.

b. This coverage applies to:

(1) **Personal injury** caused by an offense arising out of the **Named Member**'s business, excluding advertising, publishing, broadcasting, or telecasting done by or for the **Named Member**;

(2) **Advertising injury** caused by an offense committed in the course of advertising **Named Member**'s goods, products, or services; but only if the offense was committed in the **coverage territory** during the Agreement Period.

2. **Exclusions.**

In addition to the exclusions set forth in **Section II – General Exclusions**, Coverage B of this Coverage Agreement does not apply, and our duties to indemnify and defend do not extend, to any of the following:

a. **Personal injury or advertising injury arising out of:**

(1) Oral or written publication of material, if done by or at the direction of the Member with knowledge of its falsity;

(2) Oral or written publication of material whose first publication took place before the beginning of the Agreement period;

(3) The violation of a statute or ordinance committed by or with the consent of the Member.

b. **Advertising injury arising out of:**

(1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
(2) The failure of goods, products, or services to conform with the advertised quality or performance;
(3) The wrongful description of the price of goods, products, or services stated in your "advertisement";
(4) An offense committed by a Member whose business is advertising, broadcasting, publishing or telecasting.

c. **Employment Practice**

Personal Injury arising out of any actual or alleged:
(1) Refusal to employ, or
(2) Termination of Employment, or
(3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or any other employment-related acts, omissions, or policies.

This exclusion applies whether the Member may be held liable as an employer or in any other capacity. In addition, this exclusion applies to any obligation to share damages because of any of the actions described in (1) through (3) above.

d. **Sexual Abuse**

Personal Injury or any injury whatsoever, arising out of, or in any way connected with or related to, any act or the participation in any act of criminal sexual conduct, sexual misconduct, sexual harassment, sexual exploitation, sexual injury, sexual molestation or sexual abuse, physical or mental, of any person or persons by any member**.**

Coverage C – Medical Payments

1. **Coverage Agreement.**

a. We will pay medical expenses as described below for **bodily injury** caused by an accident:
(1) On premises you own or rent;
(2) On ways next to premises you own or rent; or
(3) Because of your operations;
provided that:
(1) The accident takes place in the **coverage territory** and during the Coverage Agreement period;
(2) The expenses are incurred and reported to us within one year of the date of the accident; and
(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will pay make these payments regardless of fault. These payments will not exceed the applicable limit of coverage. We will pay reasonable expenses for:
(1) First aid administered at the time of an accident;
(2) Necessary medical, surgical, x-ray, and dental services, including prosthetic

devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. **Exclusions.**

We will not pay medical expenses for **bodily injury**:

a. **Any member**
To any member, except volunteer workers.

b. **Hired Person**
To a person hired to do work for or on behalf of any member or tenant of any member.

c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.

d. **Workers' Compensation and Similar Laws**
To a person, whether or not an **employee** of any member, if benefits for the **bodily injury** are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. **Athletic Activities**
to any person engaged in any **organized athletic, exercise, or sports activity**.

f. **Products-Completed Operations Hazard**
Included within the **products-completed operations hazard**.

g. **Coverage A Exclusions**
Excluded under Coverage A.

h. **War**
Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, or revolution; and

i. **Section II – General Exclusions**
Excluded under **Section II – General Exclusions**.

Coverage D - Employee Benefits Liability

THIS IS A CLAIMS MADE COVERAGE, SUBJECT TO STATED REPORTING REQUIREMENTS

PLEASE READ CAREFULLY

1. **Coverage Agreement**

We will pay those sums that the "Member" becomes legally obligated to pay because of damages because of a "negligent act" in the "administration" of "the Member's **employee** benefits program." No other obligation or liability to pay sums or to perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

As a condition precedent to us providing coverage, the Member agrees that the Member's appointed or personal defense counsel, upon request made by us, shall make a motion to the trial court to submit a special verdict from and/or special interrogatories to the jury to determine upon what causes of action or upon what claims for damages a jury's verdict is returned or any other reasonable factual inquiry for the jury as may be determined by us.

2. **Coverage Agreement Territory and Period**

This coverage applies only to "negligent acts" committed by a "Member" during the Agreement Period within the United States of America, its territories or possessions.

3. **Definitions**

a. "**Administration**" means: the performance of the following ministerial functions for "the Member's **employee** benefits program":
   (1) Advising **employees** eligible to participate in "the Member's **employee** benefits program" of their rights and options;
   (2) Handling of records in connection with "the Member's **employee** benefits program";
   (3) Enrolling, terminating, or canceling of "**employees**" in "the Member's **employee** benefits program";
   (4) Collecting premiums and applying them as called for under the rules of "the Member's **employee** benefits program";
   (5) Processing claims in connection "with the Member's **employee** benefits program"; or
   (6) Preparation of communications to inform **employees** about their benefits

b. "**Employee**" means: the Member's officers or any persons employed and compensated by the Member, whether actively employed, disabled or retired.

c. "**Negligent act**" means: any negligent act, error or omission in the "administration" of the Member's **employee** benefits program";

d. "**A Member's employee benefits program**" means: group life insurance, group accident and health insurance, profit sharing plans, pension plans, **employee** stock subscription plans, workers' compensation, unemployment insurance, social security and disability insurance or similar plans or programs.

e. A "**claim**" means: written notice for monetary damages to one or more **member(s**) of the intent to hold the **member(s)** liable for the results of a "wrongful act." A **claim** does not mean:
   (1) investigations
   (2) audits or requests for information from government entities or others

   A **claim** is made at the time one or more member(s) receives the first written notice of the claim.

f. "**Wrongful Act**" means: any actual or alleged error, omission, act, misstatement, neglect or breach of duty in the discharge of duties to or on behalf of the "administration" of "a member's **employee** benefits program" by the **member** or an **employee** of the **member**.

4. **Exclusions**

In addition to the exclusions set forth in **Section II – General Exclusions**, Coverage D of this Coverage Agreement does not apply, and our duties to indemnify and defend do not extend, to any of the following:

a. **bodily injury**, **personal injury, advertising injury,** or **property damage**.

b. claims for injury or damage arising out of:
   (1) any dishonest, fraudulent, criminal or malicious act, or omission, done by or at the Member's direction;
   (2) an insurer's or other provider's failure to perform its contract;

(3) failure of any plan to meet its obligations due to insufficient funds;
(4) failure of any investment to perform as represented by any "Member";
(5) advice given by a "Member" to participate in any plan included in "the Member's **employee** benefits program";
(6) the Member's failure to meet the requirements of any law concerning Workers' Compensation, unemployment insurance, social security, disability benefits or similar laws; or
(7) any "Member's" liability as a fiduciary under:
    (a) **Employee Retirement Income Security Act of 1974** (PL 93-406) and its amendments; or
    (b) Internal Revenue Code of 1986 (including the Internal Revenue Code of 1954) and its amendments.

Coverage E – School Leaders Liability

THIS IS A CLAIMS MADE COVERAGE, SUBJECT TO STATED REPORTING REQUIREMENTS

PLEASE READ CAREFULLY

The coverage in this section is only for those claims that are first made or charges filed against the Named Member and reported to us while the Coverage Agreement is in force. Various provisions in this section restrict coverage. Please read the Coverage E – School Leaders Liability Section carefully to determine rights, duties, and what is and is not covered.

Section A - Errors & Omissions

1. **Coverage Agreement.**

a. We will pay those sums that the **Named Member** becomes legally obligated to pay as damages because of an act, error, omission, misstatement, or misleading statement of the Member or any persons for whose acts the Member is legally liable, arising out of the performance of duties for the **Named Member** to which this Coverage Part applies. We will have the right and duty to defend any claim or **suit** seeking those damages. However, we will have no duty to defend the member against any **suit** seeking damages to which this coverage part does not apply. We may at our discretion investigate any claim and settle any claim or **suit** that may result. But:
    (1) The amount we will pay for damages is limited as described in Section IV of this coverage agreement entitled **Limits of Liability;** and
    (2) Our right and duty to defend ends when the applicable limit of liability has been used up in the payment of judgments or settlements under Coverage E, or after the end of the Agreement Period or any approved extension of the Agreement Period by an amendment to this coverage agreement.

No other obligations or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

As a condition precedent to us providing coverage, the Member agrees that the Member's appointed or personal defense counsel, upon request made by

us, shall make a motion to the trial court to submit a special verdict from and/or special interrogatories to the jury to determine upon what causes of action or upon what claims for damages a jury's verdict is returned or any other reasonable factual inquiry for the jury as may be determined by us.

b. This Coverage Part applies to acts, errors, omissions, misstatements, or misleading statements committed by a Member only if:
   (1) The act, error, omission, misstatement, or misleading statement takes place in the **coverage territory**; and
   (2) The act, error, omission, misstatement, or misleading statement takes place after the retroactive date, if any, shown in the Declarations– Limits of Liability, under School Leaders Liability (Claims Made), Section A – Errors & Omissions and before the end of the Agreement Period; and
   (3) The claim is first made against the Member and reported to us during the Agreement Period as specified in the Declarations or any applicable Extended Claims Reporting Period that may be provided under this Coverage Part.

c. It is agreed that we shall make all final decisions regarding the legal defense of claims and shall have absolute and conclusive authority with regard to a defense, settlement, and payment of all claims.

2. **Exclusions**

In addition to the exclusions set forth in **Section II – General Exclusions**, Coverage E, Section A - Errors & Omissions of this Coverage Agreement does not apply, and our duties to indemnify and defend do not extend, to any of the following:

(a) assault or battery, false arrest, detention or imprisonment, wrongful entry, or eviction or other invasion of private occupancy, malicious prosecution or humiliation; an utterance or publication from which a claim of libel, slander, defamation, false light, or disparagement arises or an utterance or publication in violation of an individual's right of privacy, except when such libel, slander, defamation, or false light is a result of employment related defamation;
(b) mental or emotional distress, **bodily injury**, sickness, disease, or death of any person, or damage to, or destruction of any property including the **loss** of use thereof;
(c) the failure to effect or maintain insurance of any kind, including bonds;
(d) damages, fines or penalties, whether criminal, civil, statutory or otherwise, assessed by any regulatory body;
(e) any claim arising out of breach of fiduciary duty, responsibility or obligation in connection with any **employee** benefit or pension plan;
(f) any claim arising out of the gaining in fact of any personal profit or advantage to which the member is not legally entitled, including awards of back salary;
(g) any claim arising out of discrimination against students because of race or national origin or failure to integrate or desegregate the student enrollment or participation in any school district;
(h) any of the following:
   (1) breach of contract claims from suppliers or independent contractors;
   (2) the failure of the Member to comply with the administrative requirements of the Asbestos Hazard Emergency Response Act;
(i) any claim arising out of the presence of asbestos or radon and methane gases

including cost of its removal or correction;

(j) any claim arising from all pending and prior litigation or all pending and prior special education hearings as well as any known incidents, including future claims arising out of all known incidents or any pending or prior litigation or pending and prior special education hearings.
This exclusion applies only to known incidents, pending or prior litigation or special education hearings prior to the Agreement Period specified in the Declarations of the first Coverage Agreement issued and continuously renewed by us.

(k) claim resulting directly or indirectly from the dispersal, discharge, escape, release, emission or saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, or any other hazardous material, irritant, contaminant, carcinogen or pollutant in or into the atmosphere, or on, onto, upon, or in or into surface or subsurface of the following:
(1) soil - or any structures appurtenant thereto;
(2) water or watercourses;
(3) objects;
(4) any tangible or intangible matters;
whether sudden or not, or for the failure to test, observe, or discover the presence of any of the foregoing. This exclusion applies to any pollution from any sources whether man-made or from natural sources.
This exclusion applies to any claim by whomever or whatsoever made, including, but not limited to, any public, private or governmental person, concern, body, entity, agency, office or corporation.

(l) any claim arising out of or in any way connected with alleged violation of the American with Disabilities Act (ADA), or Section 503 and 504 of the Rehabilitation Act of 1973.

(m) any liability for which coverage is provided or excluded under another Coverage Part of this Coverage Agreement.

Section B. - Sexual Abuse Coverage

<u>CAUTION</u>: THIS COVERAGE IS VERY LIMITED. READ IT VERY CAREFULLY.

This coverage does not provide any coverage for any individual who is alleged to have committed an act or acts of sexual abuse.

1. **Coverage Agreement**

a. We will pay those sums that the **Named Member** becomes legally obligated to pay as damages because of their liability for the **Sexual Abuse** of others. We will have the right and duty to defend any **suit** actually seeking those damages. However, we will have no duty to defend any Member against any **suit** seeking damages for **Sexual Abuse** to which this coverage does not apply. The right and duty of us to defend a **suit** does not begin until we are asked to defend the **suit**.

As a condition precedent to us providing coverage, the Member agrees that the Member's appointed or personal defense counsel, upon request made by us, shall make a motion to the trial court to submit a special verdict from and/or special interrogatories to the jury to determine upon what causes of action or upon what claims for damages a jury's verdict is returned or any other reasonable factual inquiry for the jury as may be determined by us.

We may at our discretion investigate any allegations or claims of **Sexual Abuse** to which this coverage may apply and settle any claim or **suit** that may result. However,

(1) The amount we will pay for defense and damages is limited as described in Section IV of this coverage agreement entitled **Limits of Liability**; and

(2) Legal fees, cost and expenses incurred in the defense of any **suit** for **Sexual Abuse** is within the limits of liability, and

(3) The right and duty of us to defend ends when you have used up the applicable limit of coverage in the payment of:

(a) Legal defense fees and expenses; or

(b) Settlements or judgments under this coverage part.

b. This coverage applies to **Sexual Abuse** only if:

(1) The **sexual abuse** takes place in the **coverage territory**; and

(2) The **sexual abuse** takes place after the retroactive date, if any, shown in the Declarations – Limits of Liability under School Leaders Liability (Claims Made), Section B – **Sexual Abuse** and before the end of the Agreement Period; and the claim is first made against the Member and reported to us during the Agreement Period as specified in the General Coverage Declarations.

c. All claims based on or arising out of the same **Sexual Abuse** or a series of **Sexual Abuses** by a Member, or Members acting in concert, will be considered as arising out of one act of **Sexual Abuse**, deemed to be a single **claim** or **occurrence**, and will be considered first made when the first of such claims is made regardless of:

(1) The number of persons sexually abused;

(2) The number of locations where the **Sexual Abuse** occurred;

(3) The number of acts of **Sexual Abuse** prior to or after the first claim is made; or

(4) The period of time over which the **Sexual Abuse** took place, whether the **Sexual Abuse** is during, before, or after the agreement period. However, only acts of **Sexual Abuse** that take place after the retroactive date shown in the Declarations and before the end of the Agreement Period are covered.

It is agreed that we shall make all final decisions regarding the legal defense of claims and shall have absolute and conclusive authority with regard to a defense, settlement and payment of all claims.

2. **Exclusions**

In addition to the exclusions set forth in **Section II – General Exclusions**, Coverage B of this Coverage Agreement does not apply, and our duties to indemnify and defend do not extend, to any of the following:

a. **Sexual Abuse** expected or intended from the standpoint of the **Named Member**.

b. Any individual who has engaged in any acts of **Sexual Abuse.**

c. Any individual who is proven to have agreed to or ratified acts of **Sexual Abuse**.

d. Any individual who has violated the Member's express personnel policy relative to **Sexual Abuse**.

e. Any obligation of the Member under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

f. **Sexual Abuse** claims or **suits** by:
   (1) An **employee**, co-**employee**, prospective **employee**, or past **employee** of any Member arising out of the employment relationship or prospective employment relationship.
   (2) The spouse, child, fetus, embryo, parent, brother, sister or any Member of the household of any party named in (1) above.

g. Any known incidents including future claims arising out of all known incidents; or any pending or prior litigation or hearings including all future claims arising out of all pending or prior litigation or hearings.
This exclusion only applies to known incidents, pending or prior litigation, or hearings prior to the Agreement Period specified in the General Coverage Declarations of the first Coverage Agreement issued and continuously renewed by us.

3. **Definitions – Applicable in Sections A and B**

a. **A Claim** means a written notice or **suit** demanding payment of money for damages arising out of a **wrongful act**.

All written notices or suits demanding payment for money for damages based on or arising out of the same **Sexual Abuse** or series of **Sexual Abuses** by a Member, or Members acting in concert, will be considered as arising out of one act of **Sexual Abuse** and deemed to be a single **claim** or **occurrence** regardless of:
   (1) The number of persons sexually abused;
   (2) The number of locations where the **Sexual Abuse** occurred;
   (3) The number of acts of **Sexual Abuse** prior to or after the first claim is made; or
   (4) The period of time over which the **Sexual Abuse** took place, whether the **Sexual Abuse** is during, before, or after the agreement period. However, only acts of **Sexual Abuse** that take place after the retroactive date shown in the Declarations and before the end of the Agreement Period are covered.

b. **Wrongful Act** means any actual or alleged error, omission, act, misstatement, neglect or breach of duty in the discharge of duties to or on behalf of a **member**.

4. **Definitions - Applicable in Section B only**

a. **Sexual Abuse** means: any actual, attempted or alleged criminal sexual conduct, sexual molestation, sexual assault, sexual exploitation, or sexual injury of a person or persons by another person or persons acting in concert, regardless of whether criminal charges or proceedings are brought, which causes physical, mental, emotional, and/or other injuries.

Sexual Abuse does NOT include **Sexual Harassment** as defined below.

b. **Sexual Harassment** means: any actual, attempted, or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature of a person by a Member, or Members acting in concert, which causes physical and/or mental injuries. **Sexual Harassment** also includes the above conduct when:
   (1) Submission to or rejection of such conduct is made either explicitly or implicitly a condition of employment, or a basis for employment decisions;

(2) Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile, or offensive work environment.

c. **Special Verdict** means the trier of the facts must identify the amount of damages awarded against a Member for each cause of action or allegation of damage made against that Member.

d. **Suit** means a civil proceeding in which damages are claimed arising out of **Sexual Abuse**. **Suit** includes:
(1) An arbitration proceeding in which such damages are claimed and to which the Member must submit or does submit with the consent of us.
(2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the Member submits with the consent of us.
Administrative or investigative hearings, meetings, or proceedings by or before governmental agencies, departments, commissions, or other regulatory bodies are not a **suit**.

Section A and Section B – Option To Extend Claims Reporting Period

If this Coverage Agreement is cancelled or not renewed either by us or by the **Named Member** and if the Member has not obtained replacement coverage, this Coverage Agreement shall be extended automatically to apply, at no additional cost, to claims first made against the Member and reported to us during the 60 days immediately following the effective date of such termination but only by reason of any negligent act, error, omission, misstatement, or misleading statement in professional services first committed or alleged to have been committed before such termination date and otherwise covered by this coverage at no additional charge. For the purpose of our limit of liability, these 60 days will be combined with and considered a continuation of the last Coverage Agreement period.

If we elect not to renew this Coverage Agreement or if this Coverage Agreement is canceled by either the **Named Member** or us, the **Named Member** shall have the option to purchase a 24-month Extension Period. The Member shall have the option to extend the coverage afforded by this Coverage Agreement under this Section A – Errors & Omissions and Section B – **Sexual Abuse**, subject otherwise to its terms, limits of liability, exclusions and conditions, to apply to claims first made against the Member and reported to us during the 24 months immediately following the effective date of such termination, but only by reason of an act, error, omission, misstatement, or misleading statement in professional services first committed or alleged to have been committed before such termination date and otherwise covered by this Coverage Agreement. The extension of coverage for claims made subsequent to termination of this Coverage Agreement shall be endorsed thereto, if purchased, and shall hereinafter be referred to as the "Extension Period." For the purpose of our limit of liability, any Extension Period will be combined with and considered a continuation of the last Coverage Period. The 24-month Extension Period, if purchased, includes the 60-day automatic claims reporting extension and is not in addition to the 60-day automatic claims reporting period.

The Premium for the Extension Period shall be 100% of the annual Premium charged the Member for the expiring coverage under this Coverage Part E School Leaders Liability.

The Member's right to purchase the Extension Period must be exercised by notice in writing

not later than sixty (60) days after the cancellation or termination of this Coverage Agreement. Effective notice must include payment of Premium for such period due us.

If such notice and Premium are not so given to us, the Member shall not at a later date be able to exercise such rights.

The **Named Member** shall not have the option to purchase an Extension Period unless any earned premium due, and any reimbursement due is paid within sixty days after the effective date of such termination.

At the commencement of the Extension Period, the entire premium therefore shall be deemed earned, and in the event the Member terminates the Extension Period before its term for any reason, we shall not be liable to return to the Member any portion of the premium for the Extension Period.

Any change in the premium for, or in the limit, conditions, or terms of this Coverage Agreement shall not be deemed a refusal to renew this Coverage Agreement.

Coverage E – School Leaders Liability - Common Conditions

The following common conditions apply to Section A – Errors & Omissions, Section B – **Sexual Abuse** Coverage.

1. **Coverage Period.**

This Coverage Agreement applies only to claims first made or charges filed against the Member and reported to us during the Coverage Period. Each Coverage Period shall be the period shown in the General Coverage Declarations of this Coverage Agreement. This Coverage Agreement may be renewed for successive Coverage Periods of twelve months.

2. **Member Notice.**

The Member must give prompt notice in writing to us of:

a. any claim made and of any action or **suit** commenced against the Member, and
b. any proceeding, event, or development which in the judgment of the Member might result in a claim against the Member; and shall forward promptly to us or our designee, copies of such pleadings and reports as may be requested by us. BUT IN NO EVENT SHALL SUCH A CLAIM, PROCEEDING, EVENT OR DEVELOPMENT BE SUBJECT TO COVERAGE UNDER THIS COVERAGE AGREEMENT IF NOTICE IS GIVEN TO US AFTER THE TERMINATION DATE, OR THE LAST DAY OF THE EXTENSION PERIOD, IF APPLICABLE, OF THIS COVERAGE AGREEMENT.

3. **Other Insurance.**

If, but for the coverage afforded by this Coverage Agreement, the Member would have insurance against a **loss** otherwise covered hereby, the coverage afforded by this Coverage Agreement shall be excess over such insurance.

4. **Subrogation.**

In case of payment of **loss** by us hereunder, we shall be subrogated to the amount of such payment to the Member's right of recovery against any other person or organization for such **loss**, and the Member shall execute all papers required, and shall cooperate with us to secure such rights.

Any recovery (after expenses) shall be used to reduce the **loss**, and so much of such recovery shall be paid to us as will reduce the **loss** ultimately borne by us to what it would have been had the recovery preceded any payment of such **loss** by us.

5. **Action Against Us.**

No action shall lie against us unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Coverage Agreement nor until the amount of the Member's obligation to pay shall have been finally determined either by judgment against the Member after actual trial or by written agreement of the Member, 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 recovery under this Coverage Agreement to the extent of the coverage afforded by this Coverage Agreement. No person or organization shall have any right under this Coverage Agreement to join us as a party to any action against the Member to determine the Member's liability, nor shall we be impeded by the Member or his legal representative. Bankruptcy or insolvency of the Member or of the Member's estate shall not relieve the Member of any of its obligations hereunder.

6. **Excluded Claims and Circumstances.**

Notwithstanding any provision of the Coverage Agreement to the contrary, this Coverage Agreement does not apply to any claims or circumstances which may result in a claim as disclosed on the application dated and signed by an authorized representative of the **Named Member** including any supplements thereto.

Supplementary Payments- Coverages A, B, C, and/or D and/or E

We will pay, with respect to any claim we investigate or settle or any **suit** against a member we defend under Coverage A, B, C and/or D and/or E:

a. All expenses incurred by us.
b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the **Bodily Injury** Liability Coverage applies. We do not have to furnish these bonds.
c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of coverage. We do not have to furnish these bonds.
d. All reasonable expenses incurred by the Member at the request of us to assist us in the investigation or defense of the claim or **suit**, including actual **loss** of earnings up to $100 a day because of time off from work.
e. All costs taxed against the Member in the **suit**.
f. Prejudgment interest awarded against the Member on that part of the judgment we pay. If we make an offer to pay the applicable limit of coverage, we will not pay any prejudgment interest based on that period of time after the offer.
g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of

the judgment that is within the applicable limit of coverage.

These payments will **be included in** the limits of coverage.

Section II – General Exclusions

This Coverage Agreement, including all coverage parts, endorsements and extensions thereto, does not apply, and our duties to indemnify and defend do not extend, to any of the following:

1. **Aircraft, Auto or Watercraft**

Any injury, damage, or **loss** of any kind arising out of or in any way related to the ownership, maintenance, use, or entrustment to others of any aircraft, **auto** or watercraft owned or operated by or rented or loaned to any **Member**. Use includes operation and **loading or unloading**.

This exclusion does not apply to:

a. A watercraft while ashore on premises owned or rented by any **Member**;
b. A watercraft not owned by a **Member** that is:
   (1) Less than 26 feet long; and
   (2) Not being used to carry persons or property for a charge;
c. Parking an **auto** on, or on the ways next to, premises owned by or rented to any **Member**, provided the **auto** is not owned by or rented or loaned to any **Member** or the **Named Member**;
d. Liability assumed under any **covered contract** for the ownership, maintenance or use of aircraft or watercraft; or
e. **Bodily injury** or **property damage** arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of **mobile equipment**.

2. **Athletic Activities**

Any injury, damage, or **loss** of any kind to any person arising out of or in any way related to engaging or participating in any **organized athletic, exercise, or sports activity**.

3. **Breach of contract**

Any **claim** alleging, arising out of, based upon, or attributable in any way to a breach of any express or implied contract, including **claims** for quasi-contract, quantum meruit, or unjust enrichment. But we will not apply this exclusion to injuries, damages, or losses for which the Member would otherwise incur liability without the contract or agreement.

4. **Cross-Liability**

Any Cross-claim or Counterclaim brought by one Member under this Coverage Agreement against another Member.

5. **Communicable Diseases**

Any injury, damage, **loss**, or liability of any kind arising out of or relating in any way, directly or indirectly, to:

a. the actual or alleged transmission of a **communicable disease** or the infectious, pathogenic, toxic or other harmful properties of any **organic pathogen**; and/or
b. any claim, suit, request, demand, order or statutory or regulatory requirement 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 any **communicable disease** or **organic pathogen**.

This exclusion applies even if the claims against any member allege negligence or other wrongdoing in the:
a. supervising, hiring, employing, training or monitoring of others that may be infected with and spread a **communicable disease** or **organic pathogen**;
b. testing for a **communicable disease** or **organic pathogen**;
c. failure to prevent the spread of a **communicable disease** or **organic pathogen**; or
d. failure to report a **communicable disease** or **organic pathogen** to authorities.

"**Communicable disease**" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

"**Organic pathogen**" means any:
a. bacteria; mildew, mold or other fungi; other microorganisms; or mycotoxins, spores or other by-products of any of the foregoing;
b. viruses or other pathogens (whether or not a microorganism); or
c. colony or group of any of the foregoing.

6. **Civil Conspiracy**

Any **suit**, claim, or cause for civil conspiracy.

7. **Contract Liability**

Any age, or **loss** of any kind for which the **Member** is obligated because of the assumption of liability in any contract or agreement. This exclusion does not apply to:
a. liability for **bodily injury** or **property damage** assumed in a contract or agreement that is a **covered contract**, provided the injury, damage, or loss occur subsequent to the execution of the contract or agreement; or
b. That the **Member** would have in the absence of the contract or agreement.

But we will not apply this exclusion to **employment injury** for which the **Member** would otherwise incur liability without the contract or agreement.

8. **Criminal, dishonest, fraudulent, or malicious acts**

Any injury, damage, or **loss** of any kind arising out of or in any way related to any criminal, dishonest, fraudulent, or malicious act or omission committed:

a. by a **Member**; or
b. with the consent or knowledge of a **Member**.

However, we will not apply this exclusion to our duty to defend the **Member** until it has been determined through legal processes that such act or omission was committed.

9. **Damage to your product**

Any injury, damage, or **loss** of any kind to **your product** arising out of it or any part of it.

10. **Declaratory, injunctive, or other non-monetary damages, relief, and costs**

Any **suit**, action, demand, request, prayer or claim, or any part thereof, seeking equitable, declaratory, injunctive or other non-monetary relief. This exclusion applies even if such relief involves costs, fees, expenses, penalties, fines or other amounts to comply with any order, verdict, award, agreement or settlement, including but not limited to:

a. The cost of employment reinstatement or continued employment.
b. The cost of unpaid compensation, other than front and back wages, earned by the injured person in the course of the person's employment.
c. The cost of physical alterations or other changes made to accommodate or afford accessibility to any disabled person.
d. The cost of developing, implementing, or enforcing any company policy, procedure or program.
e. The cost of implementing, enforcing, or complying with any form of injunctive or declaratory relief ordered, approved, or entered by any court, arbiter, or tribunal.
f. Attorney's fees and/or other litigation costs awarded to any prevailing party.

11. **Expected or Intended Injury**

Any injury, damage, or **loss** of any kind which was expected or intended, or which should have been expected, from the standpoint of the **Member** who caused it, regardless of whether the injury, damage, or **loss** that resulted is different from what was expected or intended. This exclusion does not apply to **bodily injury** resulting from:

a. The use of reasonable force to protect persons or property; or
b. Corporal punishment to any student or pupil administered by or at the direction of the **Member**, provided that the Board of Education has adopted a policy authorizing the use of corporal punishment.

12. **Inverse condemnation**

Any injury, damage, or **loss** of any kind arising out of or related in any way to any actual, implied, or alleged claim in regard to inverse condemnation, condemnation, temporary taking, permanent taking, or any claim arising out of or in any way connected with the operation of the principles of eminent domain, adverse possession or dedication by adverse use.

13. **Liquor Liability**

Any injury, damage, or **loss** of any kind for which any **Member** may be held liable by reason of:

a. Causing or contributing to the intoxication of any person;
b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
c. Any statute, ordinance, or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

14. **Medical Services**

Any injury, damage, or **loss** of any kind arising out of or related in any way to:

a. The rendering or failure to render
   (1) medical, surgical, dental, x-ray or nursing services; or the provision of food or beverages in connection with such services;
   (2) any service or treatment conducive to health, or of a professional nature; or
b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

This exclusion does not apply to **bodily injury** that arises from the rendering or failure to render:

a. Incidental medical services or first aid (including transportation), at the scene of an accident or injury, by any **Member** not regularly engaged in the medical profession; or
b. Incidental medical services of an emergency or health maintenance nature by teachers and other educational personnel where required as part of their employment responsibilities.

15. **Mobile Equipment**

Any injury, damage, or **loss** of any kind arising out of or in any way related to:

a. The transportation of **mobile equipment** by an **auto** owned or operated by or rented or loaned to any **Member**; or
b. The use of **mobile equipment** in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

16. **Pollution**

a. Any injury, damage, or **loss** of any kind arising out of or related in any way to the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants**:
   (1) At or from any premises, site, or location, which is or was at any time owned or occupied by, or rented, or loaned to, any **Member**;
   (2) At or from any premises, site or location, which is or was at any time used by or for any **Member** or others for the handling, storage, disposal, processing, or treatment of waste;
   (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Member** or any person or organization for whom you may be legally responsible; or
   (4) At or from any premises, site or location on which any **Member** or any contractors or subcontractors working directly or indirectly on any **Member**'s

behalf are performing operations:

(a) If the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **Member**, contractor, or subcontractor; or

(b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**.

Hostile Fire
Subparagraphs (1) and (4)(a), above, do not apply to **bodily injury** or **property damage** arising out of heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one, which becomes uncontrollable or breaks out from where it was intended to be.

School Science Laboratory
Subparagraph (1), above, does not apply to **bodily injury** or **property damage** arising out of the release or escape of chemicals or materials if it occurs within or from a school building as part of the operation of a school science laboratory. However, this exception to the pollution exclusion does not apply to **bodily injury**, or **property damage** arising out of, or in any way related to, the disposal of waste.

Building Heating Equipment
Subparagraphs (1) and (4)(a), above, do not apply to **bodily injury** if sustained within a building and caused by smoke, fumes, vapor, or soot from equipment used to heat that building.

b. Any damage, injury, **loss**, cost, or expense of any kind arising out of or in any way related to any:

(1) Request, demand, or order that any **Member** 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

(2) Claim or **suit** by or on behalf of a 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**.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste means any materials (1) that are left over, no longer of use, or discarded; or (2) that are to be reclaimed, recycled, reconditioned, or reused; or (3) that has been removed, treated, stored, or disposed of as part of any clean up effort. These terms apply to indoor, outdoor, airborne, waterborne, surface, subsurface, localized, and/or general environmental pollution.

17. **Recall of Products, Work or Impaired Property**

Any injury, damage, **loss**, cost, or expense of any kind incurred by a **Member** or others for the **loss** of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal, or disposal of:

a. **your product**;
b. **your work**; or
c. **Impaired property**;

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy, or dangerous condition in it.

18. **Specified Operations and Activities**

Any injury, damage, or **loss** of any kind arising out of or related in any way to the ownership, maintenance, operation, inspection, selection, design, participation, manufacture, presentation, display, sale, distribution, or use of any of the following:

a. trampolines, springboards, or any other rebounding devices exceeding six feet in diameter, except diving boards;
b. rodeos;
c. scuba diving, except for instructional classes in a swimming pool;
d. mountain climbing or technical rock climbing;
e. white water rafting;
f. survival camps;
g. fireworks, the igniting or discharging of fireworks in conjunction with any display, demonstration or show, conducted or sponsored by any **Member**. Fireworks include but are not limited to firecrackers and all aerial or ground displays.

This exclusion does not apply to **bodily injury** or **property damage** arising out of emergency service you provide in response to an emergency arising out of or resulting from any specified operation or activity.

19. **Strikes, Riots, or Civil Commotions**

Any injury, damage, or **loss** of any kind arising out of or related in any way to strikes, riots, or general widespread civil unrest.

20. **Wage Exclusions**

Any injury, damage, or **loss** of any kind, including but not limited to, any judgments, settlements, penalties, fines, costs, expenses, awards or other amounts, for, based upon, arising from or otherwise related to in any way the following:

a. Claims for back wages, present wages, forward wages, overtime, or any other wage related compensation benefits or payments.
b. Any amounts payable with respect to breach of any provisions or collective bargaining agreements or similar arrangements between an employer and any labor union organization.
c. Any obligation, either by express or implied contract, statute, regulation, or otherwise, to pay any wage, benefit or compensation to an **employee**.
d. Any liquidated damages, attorney's fees, costs, or other expenses awarded to a prevailing party by virtue of any statute, rule, law, agreement, or contractual provision.

21. **War**

Any injury, damage, or **loss** of any kind due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, or revolution. This exclusion applies only to liability assumed under a contract or agreement.

22. **Worker compensation and other benefits laws**

Any obligation that a **Member** has under any:
a. Workers compensation law;
b. Disability benefits law;
c. Unemployment compensation law; or
d. Similar law.

Exclusions 1, 9, 13, 15, 16, 17, 21, and 22 do not apply to damage by fire, water, lightning or explosion to premises while rented to a Member or temporarily occupied by a Member with permission of the owner. A separate limit of coverage applies to this coverage as described in Section lll of this coverage agreement entitled **Limits of Liability**.

SECTION III - WHO IS A MEMBER

It is agreed that the terms and conditions outlined below apply to all coverage parts except as specifically identified under the specific coverage part.

1. It is agreed that the unqualified word "Member" wherever used in this coverage document includes not only the **Named Member** but also:

   a. Any of the following appointed and operated by or under the **Named Member**'s jurisdiction:
      (1) Commissions;
      (2) Boards;
      (3) Authorities.

   b. Any of the following, past or present, within the scope of their employment, or authorized by the **Named Member**:
      (1) **Employees** of the **Named Member**;
      (2) Authorized Volunteers;
      (3) Student teachers;
      (4) Trustees.

   c. Any duly elected or appointed officials or a Member of the **Named Member**'s governing body.

   d. Any person or organization to whom the **Named Member** is obligated by virtue of a written or oral contract to provide coverage such as is afforded by this coverage document; but only with respect to operations for the **Named Member** or to facilities owned, rented to, or used by the **Named Member**.

   e. With respect to **mobile equipment** registered in the name of the **Named Member** under any motor vehicle registration law, any person is covered while driving such equipment along a public highway with the **Named Member**'s permission. Any other person or organization responsible for the conduct of such person is also a Member, but only with respect to liability arising out of the operation of the equipment, and only if no other coverage of any kind is available to that person or organization for this liability. However, no person or organization is a Member with respect to:
      i. **Bodily injury** to a co-**employee** of the person driving the equipment; or

ii. **Property damage** to property owned by, rented to, in the charge of, or occupied by the **Named Member** or the employer of any person who is a Member under this provision.

However, none of these persons described are covered for "**Sexual Abuse**" or "**Sexual Harassment**" if it is alleged the person was the perpetrator.

The persons or organization described are Members only while acting within the scope of their duties with respect to a facility or operation covered by this coverage document.

Section IV - Limits of Liability

1. The Limits of Liability shown in the Declarations and the rules below, fix the most we will pay regardless of the number of:
   a. Members;
   b. Claims made or **suits** brought; or
   c. Persons or organizations making claims or bringing **suits**.

2. The General Aggregate Limit is the most we will pay for the sum of:
   a. Damages under Coverage A, except damages because of **bodily injury** or **property damage** included in the **products-completed operations hazard**;
   b. Damages under Coverage B; and
   c. Damages under Coverage D.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of **bodily injury** and **property damage** included in the **products-completed operations hazard**.

4. Subject to b. above, the **Personal** and **Advertising Injury** Limit is the most we will pay under Coverage B for the sum of all damages because of all **personal injury** and all **advertising injury** sustained by any one person or organization.

5. Subject to b. or c. above, whichever applies, the Each **Occurrence** Limit is the most we will pay for the sum of:
   a. Damages under Coverage A; and
   b. Medical expenses under Coverage C

   because of all **bodily injury** and/or **property damage** arising out of any one **occurrence.**

6. Subject to e, above, the Fire, Water, Lightning and Explosion Damage Legal Liability Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to the **Named Member** or temporarily occupied by the **Named Member** with permission of the owner, arising out of any one fire.

7. The Limits of Liability shown in the Declarations for **Employee** Benefits Liability are the maximum amount we will pay for each "negligent act" under Coverage D regardless of the number of:
   a. Members;
   b. "Negligent Acts";
   c. Claims made or **suits** brought;
   d. Person or organizations making claims or bringing **suits**; or

e. Plans included in “the Member’s **employee** benefits program.”

8. Subject to g. above, the amount shown as aggregate under the Declarations is the most we will pay under Coverage D for all “negligent acts” committed during the Agreement Period.

9. The Limits of Liability shown in the Declarations for School Leaders Liability are the maximum amount we will pay for each act, error, omission, misstatement, or misleading statement regardless of the number of:
   a. Members
   b. Acts, errors, omissions, misstatements, or misleading statements
   c. **Claims** made or **suits** brought
   d. Person or organizations making claims or bringing **suits**

10. Subject to i. above, the amount shown as aggregate in the Declarations is the most we will pay for Coverage E for all acts, errors, omissions, misstatements, or misleading statements committed during the Agreement Period.

    The Limits of Liability of this Coverage Part apply separately to each consecutive annual Agreement Period and to any remaining period of less than 12 months, starting with the beginning of the Agreement Period shown in the Declarations, unless the Agreement Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

11. **All limits of liability include the cost of defense** and all defense related expenses. The limits of liability shown on the declarations page shall be reduced as defense and defense related costs are incurred relating to the defense and cost of any claim, litigation or proceeding.

Section V - Conditions

1. **Duties In The Event of Occurrence, Offense, Claim, Alleged Act, or Suit.**

   a. The **Named Member** must see to it that we are notified as soon as practicable of an **occurrence** or an offense or an alleged act that may result in a claim. To the extent possible, notice should include as many details as possible.

   b. If a claim is made or **suit** is brought against any Member, the **Named Member** must:
      (1) Immediately record the specifics of the claim or **suit** and the date received; and
      (2) Notify us and/or our authorized representatives as soon as practicable. The **Named Member** must see to it that we and/or our authorized representatives receives written notice of the claim or **suit** as soon as practicable.

   c. The **Named Member** and any other involved Member must:
      (1) Immediately send us and/or our authorized representatives copies of any demands, notices, summonses, or legal papers received in connection with the claim or **suit**;
      (2) Authorize us and/or our authorized representatives to obtain records and

other information;

(1) Cooperate with us and/or our authorized representatives in the investigation, settlement, or defense of the claim or **suit**; and

(2) Assist us and/or our authorized representatives, upon their request, in the enforcement of any right against any person or organization, which may be liable to the Member because of injury or damage to which this coverage may also apply.

d. No Member will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the consent of us or our authorized representatives.

2. **Legal Action Against Us.**

No person or organization has a right under this Coverage Document:

a. To join us as a party or otherwise bring us into a **suit** asking for damages from a Member; or

b. To sue us on this Coverage Document unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against a Member obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Document or that are in excess of the applicable limits of liability. An agreed settlement means a settlement and release of liability signed by us, the Member, and the claimant or the claimant's legal representative.

3. **Other Insurance.**

If other valid and collectible insurance is available to the Member for a **loss** covered by us under any coverage parts within this Coverage Document, our obligations are limited as follows:

a. **Primary**:

This coverage is primary except when 2. below applies. If this coverage is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 3. below.

b. **Excess**:

This coverage is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is fire, extended coverage, builder's risk, installation risk of similar coverage for **your work**;

(b) That is fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(2) Any other primary insurance available to you covering liability for injury or **loss** arising out of the premises or operations for which you have been

added as an additional Insured by an endorsement.

When this coverage is excess, we will have no duty under this Coverage Agreement to defend any **claim** or **suit** that any other insurer has a duty to defend. If no other insurer defends, we will undertake defense subject to our Coverage Agreement and we will be entitled to the member's right against all other insurers.

When this coverage is excess over other insurance, 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 other insurance would pay for the **loss** in the absence of this coverage.

(2) The total of all deductibles and self-insured amount under all other insurance.

c. Method of Sharing:

If all the other insurance permits contributions by equal shares, we will follow this method also. Under this approach, we and the other insurers contribute equal amounts until it has paid its applicable limit of insurance or none of the **loss** remains, whichever comes first.

If any other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, our and each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

4. **Representations.**

By accepting this Coverage Document, the **Named Member** agrees:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations the **Named Member** made to us; and

c. We have issued this Coverage Agreement in reliance upon the representations of the **Named Member**.

5. **Unintentional Error or Omissions.**

Any unintentional errors or omissions made by the Member in reporting exposures shall not void or impair the coverage provided under this coverage document provided the Member reports such error or omission as soon as reasonably possible after discovery by the Member.

6. **Authorship**.

Regardless of who may have drafted or prepared this coverage document, or any portions thereof, the provisions contained herein shall be deemed to have been authored by us.

7. **Bankruptcy**

Bankruptcy or insolvency of the member will not relieve us of our obligations under this Coverage Agreement.

8. **Separation of Members**

Except with respect to the Limits of Coverage, and any rights or duties specifically assigned in this Coverage Agreement to the member, this coverage applies:

a. As if each **Named Member** were the only **Named Member**; and
b. Separately to each member against whom claim is made or **suit** is brought.

9. **Legal Defense Procedure**

It is agreed that we shall make all final decisions regarding the legal defense of claims and shall have absolute and conclusive authority with regard to a defense, settlement and payment of all claims.

Section VI - Definitions

1. **"Advertising Injury"** means: an injury arising out of one or more of the following offenses:
   a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services;
   b. Oral or written publication of material that violates a person's right of privacy;
   c. Misappropriation of advertising ideas or style of doing business; or
   d. Infringement of copyright, title of slogan.

2. **"Auto"** means: a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but does not include **mobile equipment**.

3. **"Bodily Injury"** means: **bodily injury**, sickness, or disease sustained by a person, including death resulting from any of these at any time. **Bodily injury** does not include mental or emotional injury, suffering or distress that does not result from a physical injury.

4. **"Coverage Territory"** means:
   a. The United States of America (including its territories and possessions) and Canada;
   b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a, above; or
   c. All parts of the world if:
      (1) The injury or damage arises out of:
         (a) Goods or products made or sold by a Member in the territory described in a. above; or
         (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on a Member's business; and
      (2) The Member's responsibility to pay damages is determined in a **suit** on the merits, in the territory described in a. above or in a settlement to which we agree.

5. **"Covered Contract"** means:
   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to a Member or temporarily occupied by a Member with

permission of the owner is not a **covered contract**;

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to a Member's business (including an indemnification of a municipality in connection with work performed for a municipality) under which a Member assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

(1) That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass, or crossing;

(2) That indemnifies an architect, engineer, or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the Member, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Member's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.

6. **"Employee"** means: a person working for the **Named Member** including a substitute teacher and a **leased worker**. **Employee** does not include a **temporary worker**.

7. **"Executive Officer"** means: a person holding any of the officer positions created by the **Named Member**'s charter, constitution, by-laws, or any other similar governing document.

8. **"Impaired Property"** means: tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:

a. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate, or dangerous; or

b. A Member has failed to fulfill the terms of a contract or agreement, if such property can be restored to use by:

(i) The repair, replacement, adjustment or removal of **your product** or **your work**; or

(ii) The Member fulfilling the terms of the contract or agreement.

9. **"Leased Worker"** means: a person leased to a Member by a labor leasing firm under an agreement between the Member and the labor leasing firm, to perform duties related to the conduct of the Member's business. **Leased worker** does not include a **temporary worker**.

10. **"Loading or Unloading"** means: the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or **auto**;
b. While it is in or on an aircraft, watercraft, or **auto**; or
c. While it is being moved from an aircraft, watercraft, or **auto** to the place where it is finally delivered.

But **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft, or **auto**.

11. **"Loss"** means: direct and accidental **loss** or damage.

With respect to Coverage E - School Leaders Liability, Coverage Part 1, Damages and Defense Costs, **loss** means only such monetary amount payable by the Member in settlement of covered claims or in satisfaction of covered awards or covered judgments (including prejudgment interest).

12. **"Mobile Equipment"** means: any of the following types of land vehicles, including any attached machinery or equipment:
a. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
b. Vehicles maintained for use solely on or next to premises owned or rented by a Member;
c. Vehicles that travel on crawler treads;
d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted;
    (1) Power cranes, shovels, loaders, diggers, or drills; or
    (2) Road construction or resurfacing equipment such as graders, scrapers, or rollers.
e. Vehicles not described in a., b., c., or d., above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    (1) Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting, and well servicing equipment; or
    (2) Cherry pickers and similar devices used to raise or lower workers.
f. Vehicles not described in a., b., c., or d., above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment**, but will be considered **autos**:
    (1) Equipment designed primarily for:
        (a) Snow removal;
        (b) Road maintenance, but not construction or resurfacing; or
        (c) Street cleaning;
    (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    (3) Air compressors, pumps and generators, including spraying, welding, and building cleaning, geophysical exploration, lighting, and well servicing equipment.

13. **"Named Member"** means: the entity indicated in the Declarations and which has entered

into a membership agreement with us.

14. **"Occurrence"** means: an accident or series of accidents, including continuous, repeated or related exposure(s) to substantially the same general harmful condition(s), act(s), omission(s), cause(s), mistake(s) or error(s), regardless of the number of persons involved. Any and all such accidents or series of accidents resulting from or related to continuous, repeated, or related exposures shall be treated as one occurrence regardless of the number of persons, locations, acts, omissions, errors, or period of time involved.

15. **"Organized athletic, exercise, or sports activity"** means:
    a. any interscholastic, intramural, or other athletic, exercise, or sports contest, game, competition, performance, demonstration, exhibition, match, meet, tournament, or event that is:
        (1) Officiated by a judge, referee, or other official; and
        (2) An official score, time, or other record is or is typically kept regarding the outcome of the event; or
    b. any tryout training, practice, or other preparation for participation in any interscholastic, intramural, or other athletic contest, game, competition, performance, demonstration, match, meet, tournament, or event; or
    c. any activity, including the tryout, training, practice, or other preparation for participation in any activity, such as cheerleading, dance squad, drill team, pep squad, flag squad or the like which is performed ancillary or incidental to any athletic, exercise, or sports contest, game, competition, performance, demonstration, exhibition, match, meet, tournament, or event.

16. **"Personal Injury"** means: injury, other than **bodily injury** arising out of one or more of the following offenses:
    a. False arrest, detention, or imprisonment;
    b. Malicious prosecution;
    c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord, or lessor;
    d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services; or
    e. Oral or written publication of material that violates a person's right of privacy.

17. **"Pollutants"** means: any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, and waste. Waste means any materials (1) that is left over, no longer of use, or discarded; or (2) that is to be reclaimed, recycled, reconditioned, or reused; or (3) that has been removed, treated, stored, or disposed of as part of any clean up effort.

18. **"Products - Completed Operations Hazard"** means:
    a. All **bodily injury** and **property damage** occurring away from premises owned or rented by a Member and arising out of **your product** or **your work** except:
        (1) Products that are still in a **Member's** physical possession; or
        (2) Work that has not yet been completed or abandoned.
    b. However, **your work** will be deemed completed at the earliest of the following times:
        (1) When all of the work called for in a Member's contract has been completed.
        (2) When all of the work to be done at the site has been completed if the

Member's contract calls for work at more than one site.

(3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair, or replacement, but which is otherwise complete, will be treated as completed.

c. This hazard does not include **bodily injury** or **property damage** arising out of:
   (1) The transportation of property unless the injury or damage arises out of a condition in or on a vehicle created by the **loading or unloading** of it;
   (2) The existence of tools, uninstalled equipment, or abandoned or unused materials.

19. **"Property Damage"** means:
   a. Physical injury to tangible property, including all resulting **loss** of use of that property. All such **loss** of use shall be deemed to occur at the time of the physical injury that caused it; or
   b. **Loss** of use of tangible property that is not physically injured. All such **loss** of use shall be deemed to occur at the time of the **occurrence** that caused it.

20. **"Suit"** means: a civil proceeding in which damages because of **bodily injury**, **property damage**, **personal injury**, **advertising injury**, or any act, error, omission, misstatement, or misleading statement to which this coverage document applies are alleged. **Suit** includes:
   a. An arbitration proceeding in which such damages are claimed and to which the Member must submit or does submit with our consent; or
   b. Any other alternative dispute resolutions proceeding in which such damages are claimed and to which the Member submits with our consent.

21. **"Your Product"** means:
   a. Any goods or products, other than real property, manufactured, sold, handled, distributed, or disposed of by:
      (1) A Member;
      (2) Others trading under a Member's name; or
      (3) A person or organization whose business or assets a Member has acquired; and
   b. Containers (other than vehicles), materials, parts, or equipment furnished in connection with such goods or products.

   Your Product includes:
   a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of **your product**; and
   a. The providing of or failure to provide warnings or instructions.

   Your product does not include vending machines or other property rented to or located for the use of others but not sold.

22. **"Temporary Worker"** means: a person who is furnished to a Member to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

23. **"Your Work"** means:
   a. Work or operations performed by a Member or on a Member's behalf; and
   b. Materials, parts, or equipment furnished in connection with such work or operations.

   Your work includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of **your work**; and
b. The providing of or failure to provide warnings or instructions.