

**THIS POLICY PROVIDES CLAIMS-MADE COVERAGE.
READ YOUR POLICY CAREFULLY**

Public Officials Liability Policy

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

Throughout this policy the words “you” and “your” refer to the “public entity” shown as the Named Insured in the declarations. The words “we”, “us” and “our” refer to the Company providing this insurance.

The word “insured” means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VI).

SECTION I — COVERAGE

1. Insuring Agreement.

a. We will pay those sums that the insured becomes legally obligated to pay as compensatory civil damages arising out of a “wrongful act” to which this insurance applies. We will have the right and duty to defend any “suit” seeking those damages. We may, at our discretion, investigate an incident or “wrongful act” and settle, subject to Section IV, Condition 14., any “claim” or “suit”. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE AND DEDUCTIBLE (Section III); and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS.

- b. This insurance applies to a “wrongful act” only if:
 - (1) The “wrongful act” takes place in the “coverage territory”;
 - (2) The “wrongful act” did not occur before the Retroactive Date specified in the declarations or after the end of the policy period; and
 - (3) A “claim” for damages because of the “wrongful act” is first made against any Insured, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under EXTENDED REPORTING PERIODS (Section V).
- c. A “claim” by a person or organization seeking damages to which this insurance applies will be deemed to have been made at the earliest of the following times:
 - (1) When the first notice of such “claim” is received by any insured or by us, whichever comes first, or
 - (2) When notice of an incident or “wrongful act” is first received by us before any resulting “claim” is first made against any insured; or
 - (3) When we make a settlement in accordance with paragraph 1.a. above.

All “claims” for damages because of the same “wrongful act” or related “wrongful acts” will be deemed to have been made at the time the first of those “claims” is made against any insured.

2. Exclusions.

This insurance does not apply to:

- a. Any “claim” for “bodily injury”, “property damage” or “personal injury.”

- b. Any "claim" seeking:
 - (1) Anything other than money damages;
 - (2) Injunctive, mandamus, declaratory or equitable relief; or
 - (3) Wages or other employee compensation, overtime or similar "claims", even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, or "claims" arising from collective bargaining agreements, or awards or settlements.
- c. Any "claim" based upon, attributable to, or seeking the return of, any profit, advantage, gain or remuneration to which any insured is not legally entitled.
- d. Any "claim" that results in a final legal determination that any insured has:
 - (1) Committed any criminal, dishonest, bad faith or fraudulent act, error or omission, or intentional malicious act, error or omission; or
 - (2) Deliberately violated, or had knowledge of or consented to the violation of any federal, state or local statute, ordinance, rule or regulation.

However, this exclusion does not apply to any other insured where there is no legal finding that such other insured actively joined in:

 - (a) An act described in d. (1) above;
 - (b) Or had knowledge or, or consented to, the violation described in d. (2) above.
- e. Any "claim" arising out of inverse con-demnation, adverse possession, dedication by adverse use, eminent domain, or strikes, riots or civil commotions.
- f. Any "claim" arising out of a breach of contract, or out of liability assumed by an insured under any contract or agreement.
- g. Any "claim" made against an insured by another insured.
- h. Any "claim" that results from the failure or omission or effect or maintain insurance, including the proper amount, form or provisions of such insurance.
- i. Any "claim" arising out of:
 - (1) The insured's activities in a fiduciary capacity or as a trustee or in any similar capacity including, but not limited to, duties, responsibilities or obligations in connection with any employee benefit plan, pension plan or self-insurance fund; and
 - (2) The destruction or disappearance of money, securities or the loss of use thereof.
- j. Any "claim" arising from:
 - (1) Any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt;
 - (2) Improperly collected taxes;
 - (3) Procurement, construction, or architect or engineer contracts; or
 - (4) Estimates of probable costs, cost estimates that are exceeded, or faulty preparation of plans or bid specifications.
- k. The liability of an insured for taxes, fines, penalties, costs or expenses imposed by law or arising from any complaint or enforcement action of any federal, state or local governmental regulatory agency, or damages which may be deemed uninsurable by law or under law.
- l. Any "claim" arising out of the:
 - (1) Furnishing by an insured of services, materials, parts or equipment in connection with; or
 - (2) Planning, construction, maintenance, existence or use of any nuclear reactor or device, nuclear waste storage or disposal site or any other nuclear facility, the transportation of nuclear material, or the hazardous properties of nuclear material.
- m. Liability arising out of the rendering of or failure to render professional services by a member of the medical profession.

n. (1) Any "claim", "suit", proceeding, damages, loss, cost or expense:

(a) Arising out of any actual, alleged or threatened emission, discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time; or

(b) Arising out of any request demand or order for any "clean up of" "pollutants"; or

(c) Incurred as a result of any "clean up of" "pollutants";

(2) The investigation, settlement of defense of any "claim", "suit", proceeding, damages, loss, cost or expense excluded by (1) above or alleging or in any way involving the above.

As used in this exclusion:

"Pollutants" include any noise, solid, semi-solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, mists, acids, alkalis, chemicals, biological and etiologic agents or materials, electromagnetic or ionizing radiation and energy, genetically engineered materials, teratogenic, carcinogenic and mutagenic materials "waste" and any other irritant or contaminant.

"Waste" includes any materials to be disposed, recycled, reconditioned or reclaimed.

"Clean up of" includes monitoring, removal, containment, treatment, detoxification or neutralization of, testing for or response in any way to, or assessment of the affects of "pollutants".

o. Any "claim" for damages arising out of, or alleged to have arisen out of, the transmission of, or exposure to, a communicable disease.

(1) As respects this exclusion, AIDS (Acquired Immune Deficiency Syndrome) will be considered a communicable disease.

(2) This exclusion includes such damages claimed because of negligent training, supervision, recruitment, policies or procedures.

p. Any "claim" for damages arising out of "employment practices".

Supplementary Payments.

We will pay, with respect to any "claim" or "suit" we defend:

1. All expenses we incur, subject to the deductible amount. Refer to LIMITS OF INSURANCE AND DEDUCTIBLE (Section III).

2. The cost of bonds to release attachments in a "suit" we defend, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.

3. All reasonable expenses incurred by the insured at our request 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.

4. All costs taxed against the insured in a "suit" to defend.

5. All interest on a 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 Insurance.

These payments will not reduce the Limits of Insurance.

SECTION II — WHO IS AN INSURED

1. You are an insured.

2. Unless otherwise excluded in this policy, any commission, board, authority, administrative department or other similar unit operated by and under your jurisdiction, and within an apportionment of the total operating budget indicated in the application for this insurance, is an insured.

3. Each of the following is also an insured, but only while acting within the scope of their duties for you or an insured designated in 2. above:

a. All persons who were, now are, or shall be lawfully elected or appointed officials;

b. All employees, and all persons who perform a service on a volunteer basis under the direction and control of an insured and

- c. All persons providing services under any mutual aid or similar agreement.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

SECTION III — LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suits".
2. The Aggregate Limit is the most we will pay for all damages to which this insurance applies.
3. Subject to 2, above, the Each Wrongful Act Limit is the most we will pay for the sum of all damages arising out of the same "wrongful act" to which this insurance applies.
4.
 - a. Subject to 3. Above, the Each Wrongful Act Limit applies in excess of the deductible shown in the Declarations. By accepting this insurance the insured agrees that such deductible will be uninsured and borne by the insured.
 - b. The terms of this insurance, including those with respect to your duties in the event of an incident, "wrongful act", "claim" or "suit", apply irrespective of the application of the deductible amount.
 - c. We may, at our discretion, pay all or part of any deductible shown in the Declarations. Upon notice of such payment you shall promptly reimburse us for the amount we paid.
 - d. "Claims" based on or arising out of the same "wrongful act" or the related "wrongful acts" of one or more insureds will be considered a single "claim", to which only one:
 - (1) Each Wrongful Act Limit; and
 - (2) Deductible will apply.

The Deductible, as referred to in this policy, will apply to the sum of damages and "defense expenses."

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy 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 Insurance.

SECTION IV—CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured will not relieve us of our obligations under this policy.

2. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first named insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 60 days before the effective date of cancellation if we cancel for any other reason.
- 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 is canceled, 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. In all cases, refunded premium will be less any earned minimum premium. 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.

3. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

4. Other Duties in the Event of Incident, Wrongful Act, Claim or Suit.

- a. You must see to it that we are given written notice as soon as practicable of an incident or "wrongful act" which may result in a "claim". To the extent possible, notice should include:

- (1) All available information about the circumstances concerning the incident or "wrongful act" including:

- (a) How, when and where it took place; and
- (b) The names and addresses of any witnesses and persons seeking damages; and

- (2) What "claim" you think may result.

However, even when you notify us of an incident or "wrongful act", this does not relieve you of your obligation to also notify us of any resulting "claim" or "suit".

- b. When you first learn of a "claim" made or "suit" brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or a "suit":

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation, settlement or defense of the "claim" or "suit";

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization who may be liable to the insured because of damages to which this insurance may also apply; and

- (5) In no way jeopardize our rights after an incident or "wrongful act".

- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for "first aid", without our written consent.

5. Examination Of Your Books And Records

We may examine, audit and copy your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. Governmental Immunity.

Because you are a public institution, you may be entitled to governmental immunity. This policy does not constitute a waiver of any governmental immunity to which you are entitled.

7. Inspections And Surveys

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

8. Legal Action Against Us.

No legal action may be brought against us unless, as a condition precedent thereto, the Insured has fully complied with all the terms of this policy. In addition, no person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy 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 an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this coverage form or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

9. Premium Audit.

If the Declarations states that the policy is subject to audit:

- a. **The premium** shown in the Declarations is a deposit premium only. At the close of each audit period we will compute the earned premium for that period.
- b. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

10. Premiums

The first Named Insured shown in the Declarations;

- a. Is responsible for the payment of all premiums; and
- b. will be the payee for any return premiums we pay.

11. Other Insurance.

- a. Except for such other insurance that is purchased specifically to be excess of the Limits of Insurance provided by this policy, the insurance provided by this policy is excess over any other collectible insurance and its deductible or self-insured retention provisions. The presence of a deductible or self-insured retention in such other insurance will not amend the deductible provision of this policy.
- b. When this insurance is excess, we will have no duty to defend any "claim" or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- c. When this insurance is excess over other insurance, we will pay only our share of the damages, if any, that exceeds the sum of:
 - (1) The total amount that all such other insurance would pay for the damages in the absence of this insurance; and
 - (2) The total of all deductible and self-insured amounts under all that other insurance.
- d. When both this insurance and other insurance apply to the loss on the same excess basis, we will share with such other insurance by the method described below:
 - (1) If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, which comes first.
 - (2) If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limit of insurance of all insurers.

12. Representations.

By accepting this policy, the insured agrees that:

- a. The statements in the Declarations and in the application for insurance policy are accurate and complete;
- b. Those statements are based upon representations which the insureds made to you, and which you made to us; and
- c. We have issued this policy in reliance upon those representations.

13. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

14. Settlement.

If the first Named Insured, on behalf of all insureds, refuses to consent, within a reasonable period of time, to any settlement offer we recommend and elects to contest the "claim" or continue any legal proceedings in connection with such "claim" then, subject to the provisions of Section III - Limits of Insurance and Deductible, our liability for the "claim" will not exceed the amount for which the "claim" could have been settled, plus the cost of defense incurred by us up to the date of such refusal.

15. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

16. Your Authority And Duties.

The first Named Insured shown in the Declarations agrees to act on behalf of all insureds with respect to cancellation, notice of any incident, "wrongful act", "claim" or "suit", payment or return of any

premium, or consent to a "claim" settlement that we recommend. Each insured, by accepting this insurance, agrees to:

- a. Have the first Named Insured act for them in such matters; and
- b. Promptly notify the first Named Insured, in writing, of any incident or "wrongful act" which may result in a "claim", or of any "claim" or "suit" brought against them.

SECTION V — EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if this policy is canceled or not renewed.
2. Extended Reporting Periods do not extend the policy period, reinstate or increase the Limit of Insurance, or change the scope of coverage provided. They apply only to "claims" for covered damages arising out of "wrongful acts" that occur before the end of the policy period but not before the Retroactive Date specified in the Declarations. Once in effect, Extended Reporting Periods may not be canceled. Any "claim" or "suit" first made during an Extended Reporting Period will be considered to have been made on the last day that this policy form is in effect.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days. The Basic Extended Reporting Period does not apply to "claims" that are covered under any other insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".
4. When the Basic Extended Reporting Period applies, a Supplemental Extended Reporting Period of one year duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraph 3, above ends. You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due. Once that premium is paid, we will consider it to be fully earned. We will determine the additional premium in accordance with our rules and rates. The additional premium will not exceed 200% of the annual premium for the policy.

5. If the Supplemental Extended Reporting Period is in effect, insurance provided by this Coverage Part will be excess insurance over any part of any other valid and collectible insurance whose policy period begins or continues after the Supplemental Extended Reporting Period Endorsement takes effect. It will do so whether the other insurance applies on a primary, excess, contingent or any other basis.

SECTION VI — DEFINITIONS

1. "Bodily Injury" means bodily injury, sickness, disease, emotional distress or mental anguish sustained by a person, including death and any consequential injury resulting from any of these at any time.
2. "Claim" means the receipt by any "insured" of a demand for money or services, or notice of institution of a "suit", naming an "insured" and alleging a "wrongful act".

"Claim" also means an incident which might result in a "claim". You must report such an incident to us as soon as you become aware of it. The report of such incident should include:

- a. the date, time and place of the incident;
 - b. all available information about the circumstances concerning the incident;
 - c. the names and addresses of any witnesses and persons seeking damages;
 - d. what "claim" you think may result.
3. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada; and
 - b. All other parts of the world if:
 - (1) The "wrongful act" is committed by an Insured whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The Insured'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.

4. "Defense expenses" mean expenditures including, but not limited to, our costs of investigations, experts, adjustment services, legal services, court costs, and other similar expenses.
5. "Employment practices" means any one of the following practices:
 - a. Wrongful refusal to employ a qualified applicant for employment;
 - b. Wrongful failure to promote a qualified insured person;
 - c. Wrongful demotion, negligent evaluation, negligent reassignment, or wrongful discipline;
 - d. Wrongful termination of employment, including retaliatory or constructive discharge;
 - e. Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical conditions, gender, age, physical appearance, physical or mental impairments, pregnancy, sexual orientation or sexual preference; or
 - f. Oral or written publication of material that slanders, defames, or libels an insured person or invades an insured person's right to privacy.
6. "Personal Injury" means injury or alleged injury, including emotional distress, mental anguish or any consequential injury, arising out of one or more of the following:
 - a. False arrest, assault and battery, detention or imprisonment;
 - b. Malicious prosecution, abuse of process or defamation;
 - c. The wrongful eviction of a person by another person or organization from, or the wrongful entry into, a room, dwelling or premises that the person occupies, or other violation of the right of private occupancy;
 - d. Oral, written, televised or videotaped publication of material that defames, slanders or libels a person or organization or discharges a person's or organization's goods, products or services;
 - e. Oral, written, televised or videotaped publication of material that violates a person's rights or privacy; or

